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# Latin America Report

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7 March 1983

## LATIN AMERICA REPORT

No. 2652

## CONTENTS

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

Guatemala, Panama Ratify Trade Agreement (DIARIO DE CENTRO AMERICA, 21 Jan 83) .....	1
Caribbean: Commonwealth, Canada Call for IMF Meeting (Ernie Seon; CANA, 21 Feb 83) .....	2
Briefs	
FAO Aid .....	4

## ANTIGUA

Manufacturers Score Jamaica Economic Measures (CANA, 11 Feb 83) .....	5
Marshall Discusses OECS Issues (Denis Seon; CANA, 12 Feb 83) .....	7
Lester Bird Speaks at St Lucia Caribbean Meeting (Ernie Seon; CANA, 21 Feb 83) .....	9
Briefs	
OECS Rum Tariff .....	11

## BAHAMAS

Briefs	
Turkish Ambassador Presents Credentials .....	12
New British High Commissioner .....	12

## BARBADOS

Bank Reports Five Percent Drop in Real Output (Albert Brandford; CANA, 5 Feb 83) .....	13
---	----

Minister Cites Faulty Caribbean Energy Planning (CANA, 12 Feb 83) .....	15
Trinidadian Diplomat Meets With Top Officials (Albert Brandford; CANA, 12 Feb 83) .....	17
Former Premier Barrow Scores Fiscal Policies (CANA, 15 Feb 83) .....	19
European Parliamentarians Talk With Businessmen (CANA, 15 Feb 83) .....	20
Fisheries Complex To Be Opened With EDF Funds (CANA, 16 Feb 83) .....	22
Briefs	
Development Bank Figures	23
Tourism Drop	23
<b>BELIZE</b>	
Briefs	
Iraqi Ambassador Presents Credentials	24
<b>BRAZIL</b>	
Netto Comment on Decree-Law Changing Wage Policy; Reactions (O ESTADO DE SAO PAULO, 26 Jan 83) .....	25
Netto on Decree, Delfim Netto Interview Senatorial Reaction	
SEPLAN Opposes Creation of 'OPEC of Strapped' (FOLHA DE SAO PAULO, 19 Feb 83) .....	32
<b>BRITISH VIRGIN ISLANDS</b>	
Taxation Treaty With U.S. Shelved (CANA, 12 Feb 83) .....	33
Briefs	
OECS Secretary General Visits	34
<b>COLOMBIA</b>	
PCC Head Gives Views on Party Government (Gilberto Vieira White Interview; CROMOS, 23 Nov 82) ....	35
<b>COSTA RICA</b>	
Minister Vargas Discusses Government Deficit (LA NACION, 30 Dec 82) .....	43

Development Funds for Country's North Announced (LA NACION, 27 Jan 83) .....	45
Supreme Court: Dollar Debts Are Nonconvertible (Lafitte Fernandez R.; LA NACION, 28 Jan 83) .....	47
Editorial Questions FMLN Denial of Involvement (LA NACION, 22 Dec 82) .....	49
Briefs Inflation Rate Statistics .....	50
<b>CUBA</b>	
Malmierca Discusses Nonaligned Meeting's Results (Isidoro Octavio Malmierca Peoli Interview; BOHEMIA, 21 Jan 83) .....	51
Soviet Agriculture Adviser Discusses Aid Program (Yuriy Podtykaylov Interview; ANAP, Nov 82) .....	57
Difficulties Reported in Publishing Monthly Magazines (Various sources, various dates) .....	60
'ANAP' Cutback Noted 'MUJERES' Delays Explained	
Lezcano Reiterates Support for Palestinian Cause (Havana Domestic Service, 16 Feb 83) .....	61
Foreign Service Workers Get Clandestine Medal (Havana Domestic Service, 17 Feb 83) .....	62
Heavy Rains, Tornado Cause 'Serious Damage' (Havana Domestic Service, 17 Feb 83) .....	63
UN Secretary on Troops to Angola (Havana International Service, 16 Feb 83) .....	64
Briefs Ambassador's Credentials .....	65
Juan Bosch Lectures .....	65
Cooperation Talks With Seychelles .....	65
<b>EL SALVADOR</b>	
Sufficient Coffee To Meet Export Quota (LA PRENSA GRAFICA, 21 Jan 83) .....	66
Finance Minister on Need To Issue Bonds to Finance Budget (LA PRENSA GRAFICA, 18 Jan 83) .....	68

New Constitution To Include Electoral Reform Guidelines (LA PRENSA GRAFICA, 20 Jan 83) .....	69
<b>GRENADA</b>	
Grenada Said To Become 'Second Cuba' (Uwe Siemon-Netto; WELT AM SONNTAG, 9 Jan 83) .....	71
Equipment Installation in New Airport To Begin (CANA, 12 Feb 83) .....	76
PRG Holds Development Talks in Carriacou (St Georges Domestic Service, 14 Feb 83) .....	77
Briefs	
PRG, GDR Cooperation	78
Bishop's Good Health Assured	78
Banana Industry	78
Decline in Tourism	79
Liat Subsidiary Closing	79
Traditional Exports Down	79
Imports Decline	79
<b>GUATEMALA</b>	
Comparative Study on Inflation, Purchasing Power (Javier Hernandez O.; PRENSA LIBRE, 23 Jan 83) .....	80
FUR Leader Opposes Dissolution of Political Parties (Cesar August Toledo Penate Interview; EL IMPARCIAL, 20 Jan 83) .....	82
<b>GUYANA</b>	
Government Statement on Sanctions Against Israel (CANA, 16 Feb 83) .....	84
Briefs	
N. Korean Arms Received	85
New Trade Offices Opened	85
<b>HONDURAS</b>	
Caution on Possible Observer Status in NAM (Editorial; LA PRENSA, 19 Jan 83) .....	86
Briefs	
INA Land Distribution Plans	88
Land Occupation Plans Denounced	88
<b>JAMAICA</b>	
Canadian Office Details Cooperation With Country (DAILY GLEANER, 1 Feb 83) .....	89

Government Agency Reports Achievements (CANA, 6 Feb 83) .....	92
PNP Accepts Queen's Visit But Seeks Republic (CANA, 11 Feb 83) .....	95
Seaga Stresses Need for Aid, Trade, Investment (Guy Ellis; CANA, 21 Feb 83) .....	96
Jamaica's Seaga Meets With Trinidadian Leader (Ernie Seon; CANA, 21 Feb 83) .....	99
Briefs New Regional Exports Company .....	101
MEXICO	
SECOFIN Minister: No Change in Foreign Investment Law (UNOMASUNO, 11 Jan 83) .....	102
U.S. Businessmen's Suggestions Rejected (Editorial; EL DIA, 12 Jan 83) .....	104
Interior Ministry Blamed for Refugee Hunger, Poor Health (Candelaria Rodriguez; PROCESO, 10 Jan 83) .....	106
Envoy to USSR: Debt Promoting Ties With Socialist World (H. Rodriguez M.; EXCELSIOR, 24 Dec 82) .....	111
Tehuantepec Bishop Lona Called 'Communist' (Carlos Fazio; PROCESO, 27 Dec 82) .....	112
CNPA Tells of Violence Against Oaxaca's Triqui Indians (Aurelio Ramos; EXCELSIOR, 15 Jan 83) .....	116
Defense Minister Sees No Threat From South (Angel Soriano; EXCELSIOR, 10 Jan 83) .....	118
Armed Forces New Year's Messages Stress Loyalty (Aurelio Ramos M.; EXCELSIOR, 4 Jan 83) .....	119
Business Heads: Import Permits Needed Urgently (Jaime Contreras Salcedo; EXCELSIOR, 8 Jan 83) .....	122
Exchange Rates Jeopardize Peasants (Jaime Duran; EXCELSIOR, 31 Dec 82) .....	124
Different Minimum Wages for Four Regions (Humberto Aranda; EXCELSIOR, 29 Dec 82) .....	125

Briefs	
Coahuila Investments Suspended	127
Nuevo Leon Unemployment Figures	127
Puebla Construction Industry Unemployment	127
Deportation of Central Americans	128
 MONTSERRAT	
Opposition Stages Protest Rallies Over Dispute (CANA, 17 Feb 83) .....	129
 NICARAGUA	
'EL NUEVO DIARIO' on U.S., Israeli Links to Area (Editorial; EL NUEVO DIARIO, 13 Feb 83) .....	131
D'Escoto Meets With Clergy in Canada (Managua Domestic Service, 15 Feb 83) .....	133
D'Escoto on Support for Kampuchean Government (Radio Sandino, 11 Feb 83) .....	134
Briefs	
Argentine Loan	135
Peruvian Ambassador's Departure	135
Peace Committee President	135
Exports in 1982	135
New Ambassadors	135
Deputy Foreign Minister	135
New European Ambassadors	135
Ortega Receives French Envoy	136
Austrian, Italian Donations	136
New MPS Training School	136
 ST LUCIA	
Australia's Fraser Hails Commonwealth Conference (CANA, 18 Feb 83) .....	137
Caribbean Wants Improvement in Trade With Canada (Ernie Seon; CANA, 20 Feb 83) .....	138
 ST VINCENT	
Briefs	
Cato Home After Surgery	139
EEC Assistance	139
 SURINAME	
Naarendorp on Internal Events, Foreign Reaction (Harvey Naarendorp Interview; NRC HANDELSBLAD, 5 Feb 83) ..	140

TRINIDAD AND TOBAGO

Manufacturers Concerned Over Jamaican Provocation (CANA, 10 Feb 83) .....	143
Manning Comments on Oil Production for 1983 (CANA, 15 Feb 83) .....	145

## GUATEMALA, PANAMA RATIFY TRADE AGREEMENT

Guatemala DIARIO DE CENTRO AMERICA in Spanish 21 Jan 83 p 1

[Text] The bilateral free trade and preferential treatment treaty between Guatemala and Panama will continue in force this year with the same terms as last year; This was the result of a decision made at the most recent meeting held on this subject, Julio Pablo Matheu Duchez, minister of economy said yesterday.

The minister said that the bilateral agreement, which has been in effect for several years, owes its success on the efforts of Guatemalan businessmen and has resulted in a very favorable trade balance for our country.

Last year Panama exported goods valued at 3.8 million quetzals to Guatemala, while still incomplete figures show that we exported approximately 18 million quetzals in goods to that country.

Panama pays for its imports in dollars, Minister Matheu explained, and consequently this trade arrangement has been very favorable for Guatemala.

The Panamanians were interested in reducing Guatemalan exports to their country, but fortunately an agreement was reached and the treaty will continue in effect this year on the same terms as it did last year, except for one item, glass containers.

However, the minister of economy said the document noted that no agreement had been reached regarding the containers, and the Panamanians were free to resort to a mechanism already provided for in the agreement.

The mechanism allows the Panamanians to decide whether or not they want a special commission created to study the container problem.

The minister of economy indicated it was the belief of the Guatemalan side that this was the best possible solution to the discussions on said subject considering the problems presented by the Panamanians.

9015

CSO: 3248/478

CARIBBEAN: COMMONWEALTH, CANADA CALL FOR IMF MEETING

FL212244 Bridgetown CANA in English 2218 GMT 21 Feb 83

[By Ernie Seon]

[Text] Castries, St Lucia, 21 Feb (CANA)--The heads of government of Canada and the Commonwealth Caribbean have called for an urgent meeting of the International Monetary Fund (IMF) to consider the establishment of special drawing rights so as to rescue the economies of the region.

They have also called on Japan to make funds available to the Caribbean Development Bank (CDB) for regional economic development.

This was announced here today by Prime Minister John Compton of St Lucia, chairman of the heads of government summit, now into its final day.

Mr Compton said that the call was made in the light of the critical need to create new liquidity for the financial system of the region.

"The ministers agreed that the islands need more liquidity in the system, as too many countries in the region are broke," Mr Compton said.

"They therefore thought that the only body which can assist readily is the IMF, by the expansion of its special drawing rights," he added.

He said that the IMF's next scheduled meeting was set for September this year, but it was felt that the situation was of such urgency that an early meeting was imperative.

The meeting advised delegations present to use whatever forum available to them to secure the calling of the meeting.

"A number of countries in the area have gone to the IMF--Barbados, Jamaica, Guyana," Mr Compton remarked. "The problem is a global one as 40 of the medium-size countries are facing deficit in excess of one million dollars."

Mr Compton said that the region, even with a Canada/Caribbean aid arrangement, could not solve its problems.

On the question of commodity prices, the meeting noted that Third World countries suffered considerably from a drop in prices for their export prices.

Mr Compton said that the meeting thought there was no clear answer to the fall in oil prices, as there are many countries and industries that had invested in new sources of oil, and if the price drops too far and too fast these countries will run into difficulties.

The ministers noted the fact that Canada has lost a substantial amount of trade with the Caribbean, and only grain remains a major export.

In its export of fish and other protein products and manufactured goods Canada was said to have lost its paramount position on the market.

Trade with Canada will be examined by a joint trade and economic (?committee) which will meet in Ottawa later this year. In addition the committee will consider joint ventures in marketing of agricultural produce in Canada.

The ministers also considered the mobilisation of capital for development. They said Canada had influence in other forums of the world where it can mobilise resources to assist in development.

The ministers said they wished to draw to the attention of the Japanese that the balance of trade with the region was overwhelmingly in their favour.

Based on this, they suggested that Japan make compensation by putting concessionary funds in the CDB.

CSO: 3298/1203

## BRIEFS

FAO AID--Bridgetown, Barbados, 17 Feb (CANA)--Two Caribbean countries, St Vincent and the Grenadines and Antigua and Barbuda are to receive some 124,000 dollars (U.S.) in aid from the United Nations Food and Agricultural Organisation [FAO] over the next four years, it was announced here. Local representatives of FAO Giovanni Tedesco said that the bulk of the aid 105,000 dollars (U.S.) will go to St Vincent and the Grenadines while the remainder 19,000 dollars (U.S.) will go to Antigua and Barbuda. He said that 39,000 dollars (U.S.) is to assist the St Vincent Government with its home economies programmes as well as with education and extension projects. Mr Tedesco told CANA that St Vincent would also receive 60,000 dollars to help with the formulation of a fishery development programme. [Excerpt] [FL172305 Bridgetown CANA in English 2115 GMT 17 Feb 83]

CSO: 3298/1203

## MANUFACTURERS SCORE JAMAICA ECONOMIC MEASURES

FL112207 Bridgetown CANA in English 2016 GMT 11 Feb 83

[Text] St. Johns, Antigua, 11 Feb (CANA)--The Antigua Manufacturers Association (AMA) has expressed concern over what it termed "the problems" for regional trade that can arise as a result of the economic measures adopted recently by the Jamaican Government.

The AMA's president, Ramez Hadeed, said that the dual currency exchange rate arrangement introduced last month by Jamaica was a violation of the spirit as enshrined in the CARICOM Treaty.

Under the new arrangements, there is an official exchange rate of 1.78 Jamaican dollars to one United States dollar, which applies principally to imports on the basic food list and to raw materials for processing by manufacturers for export.

In addition, there is a parallel market rate, determined by the commercial banks, which would reflect the rate currently in use in non-bank transactions and is expected to range from three to 3.5 Jamaican dollars to one U.S. dollar. There is also a foreign exchange quota system applying to all imports of both CARICOM and extra-CARICOM origin.

Mr Hadeed said this system means that exports from Antigua will now enter the Jamaican market at higher prices and in competition with products from outside the Caribbean (CARICOM).

He noted that while Jamaica has introduced this system, Jamaican goods retain their competitive position on the Antigua market.

"There is a potential for discrimination under the system and if this occurs, it means that fully finished products from Antigua will now cost more on the Jamaican market," he said, adding: "The margin of preference may well be sufficient to make it impossible for other CARICOM manufacturers to sell their products on the Jamaican market and may indeed cause a demise of certain industries, especially in the OECS (Organisation of Eastern Caribbean States) states."

Mr Hadeed said that while the Jamaican Government has not imposed foreign exchange quotas on CARICOM products per se, it has introduced global quotas and allows the Jamaican importer to use the quota as he sees fit.

"There is no question that this mechanism could result in a significant reduction in imports from CARICOM countries," Mr Hadeed said.

The AMA president added that the global quota has taken away the incentive for the Jamaican importer to purchase from CARICOM.

CS0: 3298/1204

## MARSHALL DISCUSSES OECS ISSUES

FL122040 Bridgetown CANA in English 1955 GMT 12 Feb 83

[By Denis Seon]

[Excerpts] St Johns, Antigua, 12 Feb (CANA)--Jamaica's Prime Minister Edward Seaga will meet fellow Caribbean Community (CARICOM) leaders in St Lucia after this month for discussions on his controversial new economic policies, widely considered to be disruptive to free trade within CARICOM, according to Antigua and Barbuda's industry and Trade Minister Hugh Marshall.

He told reporters yesterday he had received word of Mr Seaga's planned meeting with his regional colleagues from the Antigua high commissioner in Kingston, Oscar Henry.

The discussions will take place sometime between 20-21 February when the heads of government of 18 Caribbean countries are scheduled to be in Castries for informal talks with Canadian Prime Minister Pierre Trudeau.

Marshall said as a result of this development, a decision was taken to postpone sending a delegation from the Organisation of East Caribbean States (OECS) to Kingston for talks with government officials on the implications of Jamaica's two-tiered currency exchange system and the introduction of foreign exchange quotas. Antigua and Barbuda is one of seven OECS member states. [passage omitted]

Marshall said while Antigua and Barbuda was aware of Jamaica's foreign exchange shortage over the last five years, it was concerned that so little attention had apparently been paid by the Seaga government to the implications of the measure for regional trade.

"My immediate concern is that in arriving at the decision to introduce these new regulations, insufficient attention was paid to the implications for CARICOM trade and in particular, to the potential deleterious consequences for the already relatively disadvantaged OECS member states," he said.

As far as Antigua and Barbuda was concerned, Marshall said no retaliatory measures would be taken against Jamaica as this would not be in line with the spirit of CARICOM, and would not be in the interest of local manufacturers.

Marshall said that since the new currency exchange system placed the Jamaican manufacturer at an advantage over his CARICOM counterpart, there was a real possibility of damage to regional industry, especially within the OECS grouping.

"This derives especially from the fact that manufacturers in OECS states have a strong dependence on markets in Jamaica and the other more developed countries (of CARICOM)," he said.

Antigua and Barbuda alone depends on Jamaica and Trinidad and Tobago to absorb 60 percent of its manufactured goods, the minister said, noting that should these markets be closed, local industry would face certain collapse.

In the light of these circumstances, Marshall said Antigua and Barbuda wanted to pursue the issue as "a matter of urgency" with Jamaica.

The trade minister said: "...It should be noted that the consequences for OECS industry will be even more serious if other CARICOM MDC's decide to take retaliatory action by foreclosing their markets to CARICOM imports.

"The effect of any such trade barrier would mean closure of a number of our industrial operations, thereby causing much dislocation in the national economy in terms of employment and income."

The Antigua and Barbuda Government minister however said he was positive that Jamaica never intended to retard economic progress within the OECS grouping when it took the decision to introduce the dual exchange system to maximise savings and the use of its scarce foreign exchange resources.

But he added that in view of provisions in the CARICOM Treaty regarding trade with the lesser developed member countries, Jamaica would at least consider the need for special and concessionary arrangements for OECS made goods.

"In this regard, taking into account the...sensitivity expressed by Prime Minister Edward Seaga, I am hopeful that the Jamaican Government may wish to consider the need to provide special and concessionary arrangements for manufactured products from OECS states as required by the CARICOM Treaty," Marshall said.

CSO: 3298/1204

## LESTER BIRD SPEAKS AT ST LUCIA CARIBBEAN MEETING

FL211753 Bridgetown CANA in English 1643 GMT 21 Feb 83

[By Ernie Seon]

[Text] Castries, St Lucia, 21 Feb (CANA)--Caribbean countries are looking forward to Canada advancing the cause of regional development by focusing attention on the special problems of the regions small states, Antigua and Barbuda's Deputy Prime Minister Bird has said.

His remarks on the prospects for future relations between Canada and the Caribbean were made yesterday at the opening of a heads of government of Canada and the Commonwealth Caribbean [meeting] here.

"Canada has an obligation to itself to ensure that our area remains economically viable and politically stable, lest the consequences of our economic collapse and political instability impinge upon the Canadian way of life," said Mr Bird, who is also chairman of the seven-nation Organisation of East Caribbean States (OECS).

He said that Canada would do the Caribbean a great service by recommitting itself to the Caribbean Community, and Common Market (CARICOM) as the most effective instrument for the rapid development of the area.

He added: "Similarly, it would be helpful to us if Canada assisted in maintaining the integrity of our institutions such as the Caribbean Development Bank and enhancing their effectiveness."

Mr Bird said: "The threat of financial disaster and political and economic chaos and misery confronts the region with no less severity than it has a number of middle-income territories whose problems have made world headlines."

He stressed that together the islands must identify new and imaginative mechanisms for the delivery of aid in the quantity and quality which they needed if they were to achieve an acceptable standard of living, "not in the distant future but tomorrow," he added.

He welcomed the statement by Mr Trudeau that the Commonwealth Caribbean will remain a priority of Canada's external concerns and will maintain the target of doubling development assistance to the area by 1985.

"By this gesture, Canada is fulfilling a much-needed role in the world community, it is demonstrating a commitment to mankind's inter-dependence and setting an example for all, that an important element in the survival of our planet as a whole is the responsiveness of the right to the plight of the poor," he said.

CSO: 3298/1204

## BRIEFS

OECS RUM TARIFF--St Johns, Antigua, 17 Feb (CANA)--The seven members of the Organisation of East Caribbean States (OECS) are planning to slap a tariff on rum imports from non-OECS and non-Caribbean Community (CARICOM) member countries, according to officials of the OECS Economic Affairs Secretariat here. The tariff will amount to 25 cents (nine U.S. cents) per liquid gallon, said the officials, who described the tariff as a measure to reduce the competition rum produced in OECS countries are facing. The officials said the OECS governments agreed on the measure during a meeting of their Economic Council last year. [Excerpt] [FL172305 Bridgetown CANA in English 2017 GMT 17 Feb 83]

CSO: 3298/1204

## BRIEFS

**TURKISH AMBASSADOR PRESENTS CREDENTIALS**--The Turkish ambassador to the Bahamas and the United States, his excellency Mr Sukru Elekdag, presented his credentials to his excellency the governor-general, Sir Gerald Cash at Government House this morning. [Text] [FL081940 Nassau Domestic Service in English 1800 GMT 8 Feb 83]

**NEW BRITISH HIGH COMMISSIONER**--The Ministry of External Affairs has announced the appointment by [the] British Foreign and Commonwealth Secretary of Mr (P. W. Heath) as British high commissioner to the Bahamas in succession of Mr A. S. Papadopoulos, who will be retiring from the diplomatic services. [Excerpt] [FL101635 Nassau Domestic Service in English 1300 GMT 10 Feb 83]

CSO: 3298/1205

## BANK REPORTS FIVE PERCENT DROP IN REAL OUTPUT

FL050140 Bridgetown CANA in English 0100 GMT 5 Feb 83

[By Albert Brandford]

[Text] Bridgetown, Barbados, 4 Feb (CANA)--The Central Bank today reported a five percent fall in the real output in the Barbadian economy last year, the second decline in consecutive years.

Bank governor, Dr Courtney Blackman, said that all the major sectors of the economy, particularly construction, were affected and unemployment rose significantly to stand at 13.3 percent at the end of the year.

"Tourist arrivals declined for the third consecutive year and sugar production slumped to its lowest level since 1984," Dr Blackman said of the two major planks of the island's economy.

He noted that falling disposable incomes in North America and Europe, Barbados main tourist markets, diverted potential visitors to destinations nearer home, while the collapse of some major travel and airline companies weakened the country's performance in the European and Canadian markets.

Tourist arrivals and cruise ship passengers fell below 1981 levels by 13.5 percent and 20 percent respectively.

Dr Blackman said that in 1982, exports of manufactured goods grew modestly, as a result of an increase in manufacturing, mainly electronics components and the export of furniture to neighbouring Trinidad and Tobago.

However, the bank governor noted that the island's balance of payments came under severe strain last year even though the deficit was kept to seven million dollars (one BDS dollar : 50 cents U.S.) compared to 76 million dollars the previous year.

Dr Blackman said government managed to reduce its overall fiscal deficit and the rate of inflation slowed markedly during the year.

"Tight" controls on current expenditure and a severe cut in the capital works programme reduced the fiscal deficit to 106 million dollars in calendar year 1982, compared with 182.7 million in the previous year, he added.

He said current expenditure was restricted to 470 million dollars, an increase of only 6.2 percent over 1981, even though interest and salary payments rose by some 35 million dollars respectively.

Capital spending was considerably reduced to 124 million dollars, compared with 186.4 million dollars in 1981, and as economic activity slowed down, government revenue rose only by 9.4 percent to 488 million.

"Financing of the fiscal deficit rested heavily on the domestic banking system, as the level of foreign borrowing was severely reduced from 94.7 million dollars in 1981 to 51 million dollars in 1981" [as received], Dr Blackman said.

He said commercial bank credit, dampened by the slow down in economic activity and by Central Bank-imposed credit restrictions, grew by only 4.8 percent, with only the agricultural and manufacturing sectors borrowing as much as in the previous year.

"The Central Bank raised reserve requirements from 25 percent to 27 percent in February and the restrictions on credit introduced in 1981 were kept in place through 1982," he said.

Dr Blackman noted that interest rates were reduced in October and again in December, following the decline in rates abroad. However, commercial bank deposits recorded their slowest growth--7.1 percent--in five years.

He said the slow down in inflation in Barbados' major trading partners and the appreciation of the Barbados dollar reduced the rate of annual inflation substantially.

"The average annual increase in prices was 10.3 percent compared to 14.5 percent in 1981, while the point-to-point rise was only 6.9 percent, a sharp drop from [the] 12.3 percent rise between December 1980 and 1981," Dr Blackman said.

CSO: 3298/1206

## MINISTER CITES FAULTY CARIBBEAN ENERGY PLANNING

FL121600 Bridgetown CANA in English 1500 GMT 12 Feb 83

[Text] Bridgetown, Barbados, 12 Feb (CANA)--Barbados minister of state for energy and planning, Senator Clyde Griffith [as received], urged energy officials at a meeting in Colombia to examine the conditions in the Caribbean in order to be better informed when building planning models for developing countries.

Sen Griffith's comments at the Second International Seminar on Energy Planning held in Colombia from 31 January to 4 February, were circulated here by the Government Information Service (GIS).

Mr Griffith cited the "lack of relevance" of most planning models to the Caribbean states, and outlined what he said were deficiencies, which "run like a common thread" throughout the Caribbean.

He cited lack of natural resources, constraints on manpower resources, financial constraints--which have a debilitating effect on the ability of these countries to develop rational energy plans.

Another major difficulty, he said, was the pressure to apply technology which does not consider the peculiarities of the region.

He was able to obtain a commitment for technical assistance to eastern Caribbean countries in the design of institutional and methodological aspects of planning especially in view of efforts of the Caribbean Community (CARICOM) to implement a decision taken at the regional heads of government meeting held in Jamaica last November, the GIS said.

The minister spoke of the urgent need of Caribbean countries to develop national energy plans and said that, to his knowledge, Jamaica was the only CARICOM country that had published a national energy plan.

He assured the conference that Barbados had plans for incorporation of its national energy scheme in its next development plan

Senator Griffith, who was moderator of the session which looked at new and renewable sources of energy, cautioned against a mad rush to suspend

research and development in new and renewable courses in anticipation of a dramatic drop in world oil prices.

"Such a step, if taken, could prove to be dangerous," he declared.

The minister expressed satisfaction with some positive aspects of promised collaboration between the Latin American Energy Organisation (OLADE) and the European Economic Community (EEC) for the benefit of OLADE member countries: information exchange on energy matters, joint efforts in the area of energy utilisation, participation of EEC in energy development projects--development of training programmes of personnel to be executed in research and training centres in the Latin American region.

CSO: 3298/1206

## TRINIDADIAN DIPLOMAT MEETS WITH TOP OFFICIALS

FL141618 Bridgetown CANA in English 2335 GMT 12 Feb 83

[By Albert Brandford]

[Text] Bridgetown, Barbados, 12 Feb (CANA)--Trinidad and Tobago's new high commissioner to Barbados, Basil Pitt, flew back home today after a welcoming visit of courtesy calls and talks with top government officials here on civil aviation and other bilateral matters.

Mr. Pitt, who will eventually be resident here, said this morning that joint venture Trinidad-Barbados projects, including the Caribbean Air Cargo Company (CARICARGO) and the Arawak Cement Plant now under construction here, figured in his talks, but he declined to give details.

The discussions, with Prime Minister Tom Adams, his deputy Bernard St John and other senior officials, also dealt with the operation of the CARICOM Multilateral Clearing Facility (CMCF), a six-year-old government-to-government credit arrangement to facilitate trade among the 12 Caribbean community states.

The Trinidadian diplomat said Barbados had put forward "several" proposals, but he declined to elaborate.

Earlier in the week, Mr Pitt said he was looking forward to "a greater understanding" on certain issues vital to both countries.

"There has been a whole veil of misunderstanding surrounding certain very vital issues between Barbados and Trinidad and Tobago and I would like to see a greater understanding...it will enhance our trade prospects..and make for greater stability between the two countries," he said.

The former cabinet minister said civil aviation was discussed in a general fashion, with the progress being made by the joint air cargo service, CARICARGO, being mentioned, as well as the Arawak Plant.

However, he could not say what progress has been made on a commitment by the two countries to establish a joint tour company. One of the agreements contained in the 1979 memorandum of understanding signed in Port-of-Spain.

"I believe they have been working on this," he said. "In my own view, I think it is a very essential and necessary complement to air services in the region."

He said that talks were continuing on the recent designation of the Trinidad airline, BWIA, as Barbado's national carrier to service new United States routes acquired under a bilateral air agreement between Washington and Bridgetown.

Said Mr Pitt: "There is active interest on both sides. What we are doing is discussing the conditionalities of the operations."

The envoy, who is chairman of the standing bilateral negotiating committee of Trinidad and Tobago air services, said he was able to get the Barbados feeling on some civil aviation issues which he would take back to the Trinidad Government.

Mr Pitt, who presented his credentials to governor general Sir Deighton Ward on Tuesday, said he hoped to complete establishment of the Trinidad and Tobago High Commission here "as soon as possible."

He said he would return to take up residence as soon as arrangements had been firmed-up for his accommodation.

Mr Pitt is also accredited to the eastern Caribbean and will shortly pay similar visits to St Vincent and the Grenadines, Dominica, St Lucia, Antigua and Barbuda and Grenada.

CSO: 3298/1206

## FORMER PREMIER BARROW SCORES FISCAL POLICIES

FL151840 Bridgetown CANA in English 1800 GMT 15 Feb 83

[Text] Bridgetown, Barbados, 15 Feb (CANA)—Barbados opposition leader Errol Barrow has criticised the government's fiscal policies and asserted that the current world recession was responsible in "very little" measure for the island's economic difficulties.

"Don't let anybody stand up and tell that the crisis we have in Barbados is due to any international recession. It has got very little to do with what we are suffering in Barbados now," the former prime minister (1961-76) told a mass public meeting of his Democratic Labour Party (DLP) Sunday night.

Prime Minister Tom Adams, in whose rural St Thomas constituency the meeting was held, has persistently blamed the world recession for the island's economic decline in recent years. He insists the problems are not the result of bad management by his government.

Barrow said that between 1900 and 1975, successive Barbados governments had borrowed a total of 202.1 million dollars (one BDS dollar ; 50 cents U.S.) to finance development projects.

But between 1975 and 1980 mainly under the Adams government, the figure had more than doubled, the former finance minister said, increasing by 481.3 million dollars to 683.4 million in 1980.

Said Barrow: "There is nothing wrong with that but I want to ask this question: What was done with the 480 million?"

The former prime minister again attacked the government's decision to seek balance of payments support from the International Monetary Fund (IMF).

He said that rather than drawing down funds from the IMF, his administration had put "hard earned dollars" into the institution and had purchased 13 million dollars worth in gold "and (now) all of it [is] gone."

CSO: 3298/1206

## EUROPEAN PARLIAMENTARIANS TALK WITH BUSINESSMEN

FL152000 Bridgetown CANA in English 1820 GMT 15 Feb 83

[Text] Bridgetown, Barbados, 15 Feb (CANA)—A four-member mission from the European parliament today held discussions with Barbadian businessmen on the problems they face in exporting goods to Europe under the Lome Trade and Aid Convention.

The talks, on the penultimate day of the parliamentarians fact-finding visit, were attended by rum-producers, as well as representatives of the Small Business Association (SBA), the Barbados Manufacturers Association, the Barbados Chamber of Commerce (BCC), and the Caribbean Association of Industry and Commerce (CAIC)—an umbrella body for private sector firms.

Several businessmen here have been calling for easier access of their products to European Economic Community (EEC) markets. Rum producers have said they will ask European governments to drop a quota system for rum and adopt a better definition of the liquor to permit an increase in the volume of exports.

The parliamentary mission is headed by Italian Giovanni Bersani. The other members are Raymonde Dury of Belgium, Winifred Ewing and Alexander Sherlock, both of the United Kingdom.

They had wide-ranging discussions with a Barbados Government delegation yesterday against the backdrop of preparations by the European community and the African, Caribbean and Pacific (ACP) states for negotiating a successor to the second line Lome Convention.

Chairman of the meeting, O'Brien Trotman, who is minister of state in the prime minister's office, said: "The ACP countries have found that the unilateral decisions by the EEC and the interpretation of the agreement and the protocols have resulted in the restriction of the expansion of trade between the ACP and EEC states.

"Indeed, it is ironic that while the provisions for the ACP/EEC trade co-operation were designed to lead to an increase in trade between the two (groups of) countries, there has been a decline in the ACP exports share of the community market in 1981 as compared with 1980."

He listed some of the reasons for this outcome as: "The de facto erosion of whatever advantages Lome has confined on the ACP states as a result of preferential agreements with third countries whose exports are competitive with those of the ACP: and the high level of the minimum value added required under the rules of origin."

Senator Trotman said Barbados would like to see the EEC observing the spirit and the letter of a protocol under which ACP sugar is sold to Europe.

"When the protocol was negotiated, the EEC was a major importer of sugar," he remarked. "At present, the EEC is a large exporter, a development which has contributed to depressing world prices, which has seriously affected ACP products who need remunerative prices for sugar sold on the world market."

"The absence of negotiations between the ACP and EEC over prices as envisaged by the protocol, the necessity for ACP producers to meet freight costs out of the agreed prices for sugar are all matters of great concern to us."

He added: "In the area of financial and technical assistance, we are concerned that the volume of the resources allocated has been so limited."

"The value of the provision for this item under Lome II represents a reduction that given under Lome I when it must be remembered that the number of countries to benefit from this provision has increased since the negotiations for Lome I."

"We are also concerned about the excessively long delays in obtaining approval for projects and for the disbursement of funds. Consequently the value of any assistance provided is severely reduced as a result of inflation and the limited life of any convention."

CSO: 3298/1206

## FISHERIES COMPLEX TO BE OPENED WITH EDF FUNDS

FL161748 Bridgetown CANA in English 1659 GMT 16 Feb 83

[Text] Bridgetown, Barbados, 16 Feb (CANA)—The Barbados Government today said it will officially open a 5.4 million dollar (one BDS dollar ; 50 cents U.S.) fisheries complex, partly financed by the European Development Fund (EDF), in the first week of March.

The complex, on the south coast, has been described by the Government Information Service (GIS) as "a modern meeting-place for fishermen, vendors and customers, offering adequate processing, chill, cold storage and marketing facilities, and boat refuelling and maintenance services."

The EDF provided 2.2 million dollars for constructing the complex. The project was also funded by the Barbados Government, with some support from the Caribbean Development Facility (CDF), jointly administered by the Caribbean Development Bank (CDB) and the United States Agency for International Development (USAID).

A delegation from the European parliament, headed by Italian Giovanni Bersani, visited the complex yesterday towards the end of a visit during which it had discussions with government officials and private sector businessmen on the Lome Trade and Aid Convention linking the European community with African, Caribbean and Pacific (ACP) states.

CSO: 3298/1206

## BRIEFS

**DEVELOPMENT BANK FIGURES**--Despite the uncertainty in the present national and global economic climate, the Barbados Development Bank has shown a significant growth in all its key areas, making a record BDS \$10.2 million in commitments and loans to industry, manufacturing and small businesses. Chairman of the Barbados Development Bank (BDB), Mr David Seale, told the bank's annual general meeting yesterday that disbursements increased from \$11 million to \$20 million or 85 percent over the previous year, while profits moved from \$62,000 to \$455,000, an enormous percentage increase. [Excerpt] [FL151901 Bridgetown ADVOCATE-NEWS in English 11 Feb 83 p 1]

**TOURISM DROP**--Bridgetown, Barbados, 8 Feb (CANA)--Barbados recorded its biggest drop ever in tourism arrivals last year, when 303,795 visitors came to the island, a drop of 13.8 percent below the 1981 total of 352,591, according to official figures. Last year's arrivals fell below the 1978 total of 316,883 and constituted the biggest percentage decrease recorded since the island has been keeping detailed tourism statistics. [Excerpt] [FL081930 Bridgetown CANA in English 1754 GMT 8 Feb 83]

CSO: 3298/1206

## BRIEFS

IRAQI AMBASSADOR PRESENTS CREDENTIALS--Belmopan, Belize, 25 Jan (CANA)--Iraq's non-resident ambassador to Belize, (Fakhri Ahmad Quisin al-Quisy), has presented his credentials to governor general, Dr Minita Gordon. The envoy, who is also accredited to Mexico, where he is based, said the relationship between Belize and Iraq was one worthy of being further strengthened. Dr Gordon welcomed the support Iraq had given to Belize at the United Nations, and said she looked forward to "consolidated co-operation between the two countries." [Text] [FL25180 Bridgetown CANA in English 1715 GMT 25 Jan 83]

CSO: 3298/1207

## NETTO COMMENT ON DECREE-LAW CHANGING WAGE POLICY; REACTIONS

## Netto on Decree

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 83 p 22

[Text of interview with Planning Minister Delfim Netto on 25 January 1982]

[Text] "The great truth is that the law created big disadvantages without any advantages"; "the president rejected suggestions to fix the level of productivity so that the unions and businessmen could keep the dialogue open, befitting a politically open society"; "the correction in the wage law will be of some help against inflation, but not in any significant way; it was actually meant to improve the level of employment"; "there will be no decline in real wages, and at least 90 percent of the wage earners will continue to have their wage adjusted for inflation"; "the middle class is not being murdered; who buys or uses all the alcohol produced in the country?"; "the government is not ready to introduce unemployment insurance, simply because it would have to create or increase taxes to fund it."

These and other comments were made by Planning Minister Delfim Netto during an interview granted yesterday to O ESTADO, JOURNAL DE TARDE and ZERO HORA, regarding Decree-Law 2012, signed day before yesterday by the president of the republic, which provides for a new revision in the formula for wage readjustments. Delfim insisted that the legislation had been improved, declaring that the semiannual adjustment "proposed by the president and rejected by the opposition was the most important aspect of the law and was maintained, along with the idea of free negotiation regarding productivity.

## No Reduction in Real Wages

According to Delfim, the purpose of the correction in the wage policy is to prevent the high turnover, which "was causing great inconvenience for the workers themselves"; it was also inflationary, inasmuch as it "added to the totally preposterous calculations of productivity another 10 percent

above the INPC [?Consumer Price Index]." He does not believe that relations between the unions and businessmen will be altered by the revision, noting that the adjustment will still come about automatically every 6 months and that productivity will still be freely negotiated. Following is the text of the interview with the minister of planning.

ESTADO: Mr. Minister, one of the concerns of the government is that this change in the wage law will improve the level of employment. Is it really convinced that unemployment will be reduced by this change in the wage law, or is unemployment the result of factors other than the wage law?

Delfim: No, I think you have several factors. Obviously the low level of activity produces a certain level of unemployment. To the extent that, first, the change in the wage law will tend to keep people in their jobs, second, that it will favor the survival of small and medium businesses and, third, that it will certainly make the Brazilian economy more competitive, it will tend to raise the level of employment.

ESTADO: It is also being argued that this revision in the wage law really fosters a linear reduction in wages. And this reduction, greater in salaries of up to three times the minimum wage, will have repercussions on the level of demand; in other words, people will buy less and this will affect the performance of businesses and the economy as a whole.

Delfim: Not so. This would be true if you simply had the same volume of employment. First of all, there has been no reduction in real wages. This is the big truth. Because, if it were possible to raise real wages by raising nominal wages, there would not be a poor country in the world. The great truth is that the law produced great drawbacks without any real advantages. It is an obvious and publicly confirmed fact that the increase in real wages was, in the end, quite small in those categories. It was much larger in some intermediate categories. On the other hand, it resulted in substantial turnover, which caused great inconvenience, certainly making it very difficult for small and medium businesses to survive. Where you had a large concentration of unskilled labor, the survival of the company was really in jeopardy. And all this was at the cost of employment. Now we are taking the opposite road; we are enabling the small and medium businesses to survive. We are enabling the large companies to export and we are going to create more job opportunities. Logically, overall demand is not going to decline.

ESTADO: It is also being said that, in fact, the companies did not have a substantial increase in their payroll as a result of the law that has just been revised, because that law promoted a wage distribution among the various brackets. Therefore, the higher brackets had a smaller real readjustment; they were squeezed, and this differential made up for the additional 10 percent to which those who earned from one to three times the minimum wage were entitled.

Delfim: This is not true. The figures do not show this. On the contrary, the jobs of less skilled personnel were sacrificed and employment went up

for somewhat more skilled manpower. Consider wages and education. Normally, they are linked, right? Well, in the end it was more economical to keep a fellow who was earning five times the minimum wage--and you negotiated this wage with him--than to keep on a fellow with the 10 percent floor. So what happened? The FIESP [Sao Paulo State Federation of Industries] study shows clearly. You had more employment of somewhat more highly qualified personnel and a decline in employment of personnel at the minimum wage, with an enormous social cost. This was everyone's experience. In this issue of wages, I think it would be most instructive if each person thought about his own company, and thought clearly, that is, without fear of saying what he thought. Now, we know that a great many companies had to make radical adjustments in their payrolls and their employment structures. What changes did they make? No one could keep on an employee at the minimum wage for very long, because the 10 percent, as it accumulated, rapidly produced wages inconsistent with the work the employee performed. So I would ask you, particularly those of you who will be writing editorials, who will be writing analyses of this, to examine the problem of your own company. That is, look inside your own company and see what the law produced. Certainly the law also caused a squeeze in a--let us say--somewhat higher category. You have several effects here. After a certain point the law has no effect, where you see an individual bargaining with his own company. In other words, the fellow has talent and actually gets the readjustment that the company feels he must have--period. There is an intermediate bracket, where there is much less argument, and there was a lower bracket, where the increase was really imperative and was so accelerated that it produced a manpower turnover, with enormous drawbacks. We all knew it. We experienced this. Whenever it was time for the [adjustment], people became highly nervous and concerned because they knew they could be fired at any moment and replaced by people with the same qualifications who could be hired for less. This is one thing which the law eliminated and I think it is important that it did this. I reiterate: by enabling small and medium businesses to survive, combined with what we are doing about interest rates, combined with the expansion of exports, I think we are going to see a rise in the level of employment. That mechanism which we had created--of a rapid turnover in the payroll--has a limit. Beyond that limit it had no effect. I think that the Federation of Industries produced a document, an entirely independent analysis on the basis of its own data, which shows this very clearly. I think that most people who will be reading [what you have to say] tomorrow know in their hearts--even though they are annoyed that we have meddled here, meddled there--they know that they were running the risk of being fired, simply because the 10 percent increase was automatic and was pushing them out of the labor market. This is less serious among people working in the public sector, because in a public enterprise the employee simply does not expect to be put out in the street. This is not true. Even government industries had to make this adjustment. But, in the end, we could no longer support this increased payroll in the public sector without raising taxes even more, in other words, taking jobs away from the private sector. So, actually all the individuals involved in the process, and who are fairly calm, know in their hearts that this had to be corrected. It is natural that there should be criticism; it is natural that some people would feel this will have little effect, but this is not the case. I think it will have a significant

effect. Not in terms of reducing inflation. The reduction in inflation will come about when we are convinced that we cannot increase real wages above the increases in productivity, when the government is convinced that it cannot, together with the private sector, attempt to utilize more than 100 percent of the product, when the businessmen are convinced that they cannot change the relationship between profit and wages with impunity. The France of Mitterand, who came to establish true democratic socialism, was led to freeze wages and prices. And we know that wages can be frozen much more efficiently than freezing prices. Why? Because the businessman watches over wages. No one looks after prices. In other words, in the end, they undid the indexing by a sleight of hand--which we could have done here--by freezing wages and prices. I am sure that the businessmen would watch over the wages, even the ones who are saying that this was not important. But we have no such vigilance over prices. The government sees to maintaining some prices, but the great truth is that you have no way to control them. So when you freeze both wages and prices, you are actually only freezing one of them; wages. The same thing happened in Germany, where the unions and the government reached an agreement to reduce real wage increases. It happened in England and it is now happening in Italy, which is the last European country to hop on the trolley. Why? Because a country cannot go on with double-digit inflation when all its neighbors are down to single-digit inflation and are really headed for levels very like those observed in the 1960's. If it does not do this, it can expect to have serious problems with the balance of payments. Hence, with all the problems, they are doing this. It happened with Canada. I would add that it is happening in the Soviet world, where no one can dispute it; wages are paid and the price indexes are not calculated. So no one can complain. Everyone earns 140 rubles and that's that. Well, everything rests on this. Every time you allow a little freedom, as in the case of Hungary and Poland, you see inflationary tensions appear quickly. So our hope is that, having preserved this important aspect of the law--the business with productivity, the president has left the door open for agreement, for compromise within the private sector, between the workers and the companies. They have to assume their responsibility, too. It must be said clearly that the problem of employment is not solely the government's responsibility, it is also the responsibility of the unions and the businessmen; it is the responsibility of those whom the law protects to defend their class interests, and to defend them by protecting their jobs, and if they do not behave properly they cause unemployment among their associates. So I feel it was vital to maintain this mechanism in order to go on building a politically open society. This is exactly why the president rejected the suggestion to fix the level of productivity. Now, things must go in the right direction. We have to convince people--and this is not just the government's task, but the task of all society--we have to convince ourselves that it is impossible to manage wage increases higher than the increase in productivity, and that, right now, the Brazilian economy, like the world economy is contracting. It is not growing as it grew in recent years. We may have had a slight growth. But this is nothing. If we attempt to accelerate our growth, our balance of payments problem will be insoluble. Hence it appears to me that the law has provided this small correction needed to keep the system functioning adequately. Nothing more, We maintained the

6-month adjustment, which is important, since without the 6-month adjustment there would have been substantial declines in real wages, and the door was left open for negotiated agreement on productivity.

#### Senatorial Reaction

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 83 p 22

[Text] Two senators, both of the PDS [Social Democratic Party] have differing opinions as to the legality of the decree-law altering the wage policy. Senator-elect Carlos Chiarelli (Rio Grande do Sul), speaking in Jaguarao, condemned the government initiative; Aluisio Chaves (Para), the future PDS leader in the senate, offered no personal opinion regarding the constitutionality of the measure, but said this aspect must have been studied exhaustively by the legal advisors of the Labor and Planning ministries, as well as Planalto Palace itself.

Aluisio Chaves was a judge for almost 20 years. Speaking with newsmen yesterday, Chaves said that, since this was a matter involving the expenditures of public enterprises, the government understood that the wage policy comes under Item 2, Article 55 of the constitution.

The future leader admitted that he could not distinguish his personal view, as a jurist, from that of a future leader of the government, offering an opinion in disagreement with the government act. Despite this statement Aluisio did not at any time criticize President Figueiredo for resorting to a decree-law to alter wages, and he chose his words carefully in commenting on the matter.

Chaves said he was sure the decree-law would be approved by congress, even though the PDS does not have a majority in the chamber. "People must be made aware of the difficulties that have been confronting the country; they call for understanding and sacrifice by everyone."

The senator from Para declared that the government intends to allow full debate on the matter and that the PDS could call on specialists and ministers in this area to explain the issue. He could not predict what form this debate would take, and could not say whether the joint committee which will examine the decree-law in congress would call on the ministers in this area.

Chiarelli

Yesterday, in Rio Grande do Sul's Jaguarao Municipio (392 kilometers from Porto Alegre), Carlos Alberto Chiarelli, senator-elect from Rio Grande and coordinator of the department of labor affairs of the national PDS, condemned the initiative of the federal government in revising the wage law by decree-law. In his opinion, any eventual alteration in the present law should be made by congress "because the parliamentary path is most fitting for democratic liberalization."

In addition, he feels that a topic of such magnitude should necessarily be debated in congress, because all its aspects can be clarified there.' Chiarelli added that it is essential that the workers and businessmen be consulted regarding suggested changes; the matter should not be left to the will of four or five individuals.

#### Confident

Labor Minister Murillo Macedo, Planning Minister Delfim Netto and government leaders in congress are confident that the decree-law will be approved.

The reason for the confidence (although it is not mentioned openly--only in closed circles) is that most states are totally dependent on the federal union, [although] some of them will be controlled by the opposition, starting in March. For this reason, the government is not showing any effort to secure approval of the decree, seeking support among the 13 PTB [Brazilian Labor Party] deputies--seen as an auxiliary line of Planalto Palace--or through isolated agreements with congressmen from the other parties. Incidentally, the government needs only five more votes in the chamber for approval of the decree-law.

Labor Minister Macedo assured his closest associates that there is no cause for concern about the approval, because most of the governors are going to take on empty treasuries, without funds to pay public servants and without reserves in the state banks.

#### Arraes

Deputy-elect Miguel Arraes (PMDB-PE [Brazilian Democratic Movement Party-Pernambuco]), former governor of Pernambuco, lamented yesterday in Brasilia that the government handed down the decree-law revising the wage policy at a time when "everything is all disorganized. The parties are not organized to confront the government structures," he observed.

Arraes commented that, at this time, the politicians arriving in Brasilia are almost obliged to give their full attention to problems of apartments and offices, to discussion with the leaders regarding the organization of the chamber chairmanship, to the dispute on the leadership of the PMDB, to the district vote, etc. "What the opposition must do, as an organization, is to combat the existing economic policy. We cannot remain indifferent to what is happening," He added that in Friday's meeting of the national executive committee of the PMDB, he will back leader Odacir Klein's proposal to question the constitutionality of the wage decree-law.

#### Luis Ignacio

According to Luis Ignacio da Silva, national president of the Workers Party and former president of the Sao Bernardo do Campo Metalworkers Union: "At no time has the government proved to the public that wages are responsible for the high rates of inflation. What is happening is that the IMF is being

used as a smoke screen for Minister Delfim Netto to put an old plan into practice; i.e., to change the wage policy. This change is the greatest attack committed to date against the national security of this country."

#### Rischbieter

Yesterday in Curitiba, former Minister Karlos Rischbieter condemned the "authoritarian nature of the decision, made by decree, without consulting the most interested parties." According to Rischbieter, the decision, "because of its undemocratic character, reestablishes distrust in the government's own indices." The country's basic problem, he said, is the lack of a long-range program.

#### Tancredo and Camata

Senator Tancredo Neves (PMDB), governor-elect of Minas Gerais, summed up in a sentence his opinion of the federal government's decision to alter the wage law by decree-law. "It is incomprehensible that, at the peak of the Brazilian inflationary process, the government would decide to correct it by reducing the wages of the humblest levels of the population."

Gerson Camata (PMDB), governor-elect of Espirito Santo, who was with Tancredo in Belo Horizonte yesterday, declared that the reform of the wage law strikes at the PMDB program presented during the electoral campaign.

#### Unions

Jair Meneguelli, president of the Sao Bernardo do Campo Metalworkers Union, said: "We must repudiate this measure because we know that wages and social benefits account for only 11 percent of the final price of the product for the companies, and also because we know that reducing wages will not solve Brazil's economic problems."

Antonio Toschi, president of the Osasco Metalworkers Union, said: "The revisions will provoke even more unemployment, because they significantly affect not only those who earn from 1 to 3 times the minimum wage, but also those who receive from 7 to 10 times the minimum wage, whose salaries will be reduced by 20 percent. Decree-laws cannot be used in place of legislation."

#### Loans

Planning Minister Delfim Netto said "it is quite reasonable" that readjustments to real estate loans acquired through the Housing Finance System will now be based on the wage readjustment index, which will be below the INPC. However, Interior Minister Mario Andreazza said he had not received any communication in this regard.

## SEPLAN OPPOSES CREATION OF 'OPEC OF STRAPPED'

PY230042 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Feb 83 p 15

[Text] Brasilia--"Anything but that." A high ranking assistant to Planning Minister Delfim Netto made this comment regarding the idea, which has apparently been defended in diplomatic circles, that poor countries should create an organization that could be used as a tool in their efforts to overcome the world crisis.

According to the source, "The OPEC of the Strapped," as the above organization is being ironically referred to, is "the worst thing that could be done at this moment," since Brazilian chances to finance its balance of payments are better than those of its probable partners in that type of organization, such as Argentina, Uruguay, Bolivia and the other Third World countries.

The source, a SEPLAN [Planning Secretariat] technician, admitted that "an organization of that type might emerge as a final solution," although, he added, not even Celso Furtado has recommended that kind of a step in his new book entitled: "The New Dependence: Foreign Debt and Monetarism."

SEPLAN's reluctance to form an alliance with poor countries is well known. As an African diplomat puts it, "While Itamaraty defends the position in which Brazil appears as the first among poor countries, SEPLAN argues that it is better to be the last one in the bloc of rich countries."

CSO: 3342/73

**TAXATION TREATY WITH U.S. SHELVED**

FL121630 Bridgetown CANA in English 1552 GMT 12 Feb 83

[Text] Road Town, Tortola, BVI, 12 Feb (CANA)--The British Virgin Islands has shelved the idea of negotiating a double taxation treaty with the United States, Chief Minister Lavitty Stoutt has announced in the legislature here.

Mr Stoutt recalled that last November in the Legislative Council he had dubbed the American response to proposals submitted by his administration as wholly negative and unsatisfactory.

The BVI Government, he said, had just despatched an official reply to the U.S. Treasury Department in Washington that there will be no double taxation agreement between the two countries.

Mr Stoutt said his government had reached the conclusion that the terms sought by the United States were "onerous and one-sided."

"I have told the U.S. authorities that the conditions they have sought and the conditions they expect from us are unacceptable as they stand at present," he said.

He continued: "In the opinion of this government no purpose would be served in the continuance of negotiations. There will therefore be no new double taxation treaty with the United States in place of the one which was terminated at the beginning of January this year."

CSO: 3298/1208

## BRIEFS

OECS SECRETARY GENERAL VISITS--Road Town, Tortola, 11 Feb (CANA)--Director-general of the Organisation of East Caribbean States (OECS), Dr Vaughn Lewis, began discussions today with British Virgin Islands Government officials during a three-day official visit here. Dr Lewis met Governor David Barbick and Chief Minister H. Lavity Stoutt for talks on fostering closer ties between the seven-nation sub-regional grouping and the British-ruled islands, an official statement said. The OECS director-general is here at the invitation of Chief Minister Stoutt. [Text] [FL150140 Bridgetown CANA in English 1818 GMT 14 Feb 83]

CSO: 3298/1208

## PCC HEAD GIVES VIEWS ON PARTY GOVERNMENT

Bogota CROMOS in Spanish 23 Nov 82 pp 28-31

/Interview with Gilberto Vieira White, secretary-general (for life) of the Communist Party of Colombia, by Gloria Pachon de Galan; date unspecified, at White's residence in El Chapinero, a suburb of Bogota/

/Text/ Gilberto Vieira White: 3:30 pm, I go back to El Chapinero of the 1940's. The atmosphere brings to mind the age of infancy, the life-style of the middle class of those days. The house in the half-light produced by the dark woodwork handsomely fashioned, the furniture preserved through several decades, the memories of one time and another, of one place and another, all come together to create an atmosphere of warmth of friendliness.

He does not seem to have known suffering of any kind. You would say that his life has been easy, pleasant, free of obstacles. This man who surprises you with the youthful look on his face, with the vitality of his mind, is on the point of reaching the 73rd year of a life of good faith and perseverance.

He is frank, direct, tough, and yet he leaves a feeling of sincerity and warmth in the air. In short, he is the type of person who looks you in the eye, the sort with whom a prompt line of communication, void of formalities, can be established.

The matters we discussed he has already spoken of 1,001 times. Some are ancient history to him, such as the one about "the armed branch of the Communist Party /CP/" or "the dependence on Moscow"; others prove to be entirely new: the present question of the amnesty, for example, in which all Colombians who are eager for peace, tranquillity and justice wish to believe without qualification.

A descendant of aristocratic figures of Antioquia, of exponents of the intellectuality of other times, he was 3 years of age when General Uribe Uribe, a first cousin of his mother, was assassinated. This event and the extensive news coverage given to that prominent Colombian figure exerted more influence on his life and thought than did the ideas of his conservative father. At 16 he began to read Lenin, a year later he discovered "Capital," and a short time thereafter he was expelled from the school where he had been studying. From that day forward, persecution in its most varied aspects was his constant

companion. First, a series of episodes which ran from the banana plantation massacres to the socialist campaign of Maria Cano. From from the time when, as a student, he took part in the founding of the CP, Gilberto Vieira "has lived" the CP in its decline and at its height.

### A Party in Spite of the Parties

/Question/ What is the CP in Colombia?

/Answer/ The Colombian CP represents a historical necessity to deal with the idea of traditional multiclass parties and the interests of a proletarian social class composed of those in our society who have no means of earning a living except to hire out their strength and their capacity for work. The CP in Colombia has been representative of the struggle for national sovereignty with extensive anti-imperialist campaigns throughout its entire history and it has seen with satisfaction that these campaigns have had an effect on public opinion and that other political and social sectors are today raising the flag of defense of the country's national resources against the traditional giveaway policy followed by what we call the ruling oligarchies. In addition, the CP has been a fighter for an agrarian revolution in Colombia, for a fundamental change in the matter of land tenure and has been speaking on the need for democratic agrarian reform; further, it has promoted such reform in some areas of the country and its struggle there has broken the large landholders' monopoly of the land and has meant in practice, that the land belongs to those who work it. On the cultural side, the CP has endeavored to spread basic ideas of scientific socialism, of Marxism-Leninism and at least the Marxist-Leninist method of analysis in the study of Colombian problems has been diffused to a considerable degree and communists are not the only ones to make use of it. It is a fact that the CP has not managed to become an important factor in the electoral process despite a half century of work. This is due to the fact that Colombia has a deeply rooted bipartisan tradition which prevails among us alone in Latin America. Nonetheless, the CP has taken root and is a national party organized in virtually all parts of the country. It has not managed to become a force in the elections for one basic reason: because the two traditional ruling parties are two huge bureaucratic machines that control the employment opportunities of Colombians since the state is the main employer. In Colombia, a person cannot get a job unless he is a Conservative or a Liberal. This is an obstacle to freedom of choice in the elections and to the influence of the CP. But there is still another very serious difficulty: Although the bipartisan cooperative system, which was the most bizarre antidemocratic idea ever set up in any nation, began to be dismantled in 1970, public opinion is not aware of the fact that this system is still in force in Colombia. The system is an anachronism against which the CP is fighting. We think that conditions are at this moment being created in Colombia which will lead to the overthrow of the bipartisan monopoly. But there is another aspect of the situation that must not be passed over in silence and that is the fact that anticommunism is not only an ideology, but is also a practice expressed in the fiercest military repression of the party, which naturally results in retreats and organizational stagnation. It must be remembered that for an entire period the CP was outlawed; it was a serious

crime in Colombia to profess and spread communist ideas. We have denounced in the Chamber /i.e. Chamber of Representatives/ the way in which military repression, which was a characteristic of the government of Mr Turbay Ayala, had a sinister anticommunist purpose evidenced in the planned assassination of staff personnel and militants of the CP in several parts of the country. Indeed, this is a factor still in operation under the mask of the so-called MAS /Death to Kidnappers/ and a basic prerequisite for the democratic opening is that a group such as this be eliminated, a group whose sole program is the assassination of citizens of the opposition, falsely accused of involvement in kidnappings.

/Question/ How could an effective change be achieved?

/Answer/ We believe that there is a new political opportunity in Colombia. President Belisario Betancur has declared that he desires that a series of political reforms be undertaken and, to this end, representatives of all the parties and movements functioning openly in Colombia that have studied the possibility of these reforms, have met in the Government Ministry. The other factor contributing to favorable political opportunity is that the Liberal Party is beginning to realize that it lost its hold on the government in the May elections. And that Liberal Party that had become totally bureaucratized in the government and which, at the mandate of Mr Turbay Ayala, had been changed into a regressive force, now recalls that it was once a democratic and reformist party. We notice a new attitude on the part of the Liberals in the Parliament, in that they demand of the government that bills such as the one involving the amnesty, passed by the Chamber, be complemented with social and economic reforms, which shows that an important change has taken place in their body.

#### Armed Revolution or the Election Route

/Question/ Which path is the CP actually taking, armed revolution or the election route?

/Answer/ The methods of the CP do not exactly depend on what the communists want, but rather on the determinations of its enemies who are the ruling elements of the country. We communists want to advance by democratic means, by what we call action and the mass struggle, and not only by means of elections, which are only one part of the process. But there is no doubt that in the past we have found ourselves obliged, specifically ever since 1948, to take part in the armed resistance fight against institutionalized violence. It was not what we wanted but was the result of the circumstances created by the ruling elements. The Colombian people have shown that they will not fall to their knees before violence and that they have been able to look for democratic solutions. Because, as we have just called to mind in this discussion of the amnesty in Colombia, the armed conflicts that are termed guerrilla warfare, began in 1949 as an answer to what was officially called by the then minister of government, Mr Montalvo, the "blood and fire policy." The guerrillas appeared as an answer to this policy and many Liberals took part in the guerrilla warfare with large numbers of communists at their side. But there have been periods when this warfare came to a halt

because there were political changes in the country. For example, when the coup d'etat of General Rojas Pinilla took place, but guerrilla warfare was resumed in 1954 against his dictatorship. Those struggles went on unconquered, like all the guerrilla struggles in Colombia, which have never suffered military defeat. The junta of five military men that succeeded Rojas stated that there would be no more attacks on the guerrillas. This they did and once again the guerrilla struggles ended. In 1964, as a result of international influence, that is to say, influence from the U.S. Pentagon, it was decided to launch an offensive against regions colonized by former guerrilla fighters, which had been given the name of "independent republics" and which were once again to be subjected to blood and fire. In 1964, they began the offensive against Marquetalia. This is the origin of the guerrilla movement existing in Colombia today. The so-called Revolutionary Forces (FARC) /Revolutionary Armed Forces of Colombia/ were formed as an answer to the military offensive against that area. Later, the Army of National Liberation and other movements appeared on the scene. Finally, the M-19 /19 April Movement/ came into being as an urban guerrilla organization, it tried recently to convert itself into a rural guerrilla force in the southern part of the country.

/Question/ Is the FARC the armed branch of the CP?

/Answer/ The CP has never regarded the FARC as its armed branch. Obviously the party respects the guerrillas. But it does not take responsibility for their actions nor does it agree with many of these actions. It does, however, defend the justice of the cause they are fighting for and believes that it is justified. At present the party feels that there may be conditions under which this armed conflict might come to an end, provided a direct dialogue with the guerrillas be initiated by the government and that there be a discussion of the economic and social problems which caused the appearance of this type of conflict in Colombia.

/Question/ What would be the nature of the truce proposed by the FARC?

/Answer/ All Colombians have heard Jacobo Arenas, chief of the FARC, in statements made over /Radio/ Caracol in which he said that the FARC is willing to enter upon a dialogue with the government and to arrive at an agreement on the basis of such dialogue; for our part, we have said in the Chamber of Representatives that the amnesty is not enough to produce the peace that the majority of the Colombian people anxiously desire, that this dialogue between the authorities and the guerrillas is necessary, and that the government must become acquainted with what the guerrilla fighters want, with what they propose and with what economic and social measures an agreement can be reached that will permit the men who are now in the mountains to be reintegrated into normal civic life.

The Amnesty 'Must Work'

/Question/ Why did you and Dr Gerardo Molina not introduce a joint bill on Amnesty?

/Answer/ Dr Gerardo Molina is acting as an independent socialist; I am the representative of the CP, we were allies, elected on the same Democratic Front ticket and we introduced two very similar amnesty bills at the same time. The one I introduced in the Chamber of Representatives is much simpler, whereas the bill introduced by Dr Gerardo Molina is somewhat more complex. The government finally decided that Dr Gerardo Molina's bill should be discussed and I agreed and gave it my full support. Doctor Molina stated that the bill introduced by him had been worked up by the eminent jurist, Dr Luis Carlos Perez, and the one I introduced was a synthesis of the bill that had been agreed upon in one of the forums on human rights and democratic liberties as a result of the collaboration of many Colombian jurists.

/Question/ Do you feel that the bill that was passed falls short in any way?

/Answer/ The bill that was passed is the product of a long parliamentary debate. Finally, Doctor Molina's bill was the basis of the bill introduced by the government. It also underwent significant changes during the course of the joint session of the Senate and the Chamber and I must admit that the subcommittee appointed by the first committees of the Senate and the Chamber simplified the bill to a considerable extent and improved the proposals made by the government. In short, the bill that was finally passed is quite positive with respect to amnesty. I made some observations about the third article only, although I also voted for its passage. That is the article which excepts from amnesty only the killings committed outside of combat and carried out with savagery and in situations in which the victims had been defenseless. I noted that the higher courts must take into account the modern idea of combat, which is not only armed confrontation, but an entire process of preparation, of carrying out an operation and of later acts. I point this out because in verbal courts-martial conducted by the military who conducted proceedings for the sole purpose of reprisal against real or supposed guerrilla fighters, they took care to pronounce judgments on them in two ways: first for subversion and rebellion and then for common crimes, especially for aggravated homicide outside of combat.

In my opinion, the government, pressured by the military high commands, introduced into the bill three articles against which several of us representatives in the Chamber cast negative votes. There is one which increases the penalties for citizens who bear or bring in weapons for private use from the army. This article has nothing to do with the amnesty bill; it should be included in the reform of the Penal Code now under discussion in the first committee of the Chamber. The second article, the eighth of the Law, refers to extraordinary powers for the government, powers without limit and extremely broad, with the somewhat modest name of "authorizations", to negotiate loans abroad and at home for the rehabilitation of regions devastated by the armed conflicts and for the conduct of civilian-military operations on the part of the army, which could cause new armed confrontations. Several of us representatives maintained that this article is unconstitutional, might be subject to action in the Court and declared impossible to implement. And we also voted against article nine, which speaks of extraordinary powers for the government, these, indeed, limited to one year, to reorganize the National Police, because we feel that this article has nothing to do with amnesty.

The first six articles of the Law of Amnesty are really beneficial. They will permit the release of a considerable number of political prisoners and, in addition, they will benefit thousands of Colombians whose status is illegal and for whose capture orders have been issued by the verbal courts-martial and they will provide the opportunity for movements involved in armed rebellion to consider the advantage of availing themselves of the shelter provided by this amnesty. Another aspect of this law which differs from Turbay's false amnesty is that it contains no provision requiring the personal surrender of the guerrilla fighters or the surrender of their weapons.

/Question/ In this same vein of thought, do you believe that the amnesty will be successful?

/Answer/ I believe that the amnesty will be beneficial to the country and will contribute to the democratic opening to which many sectors of Colombian society have pledged themselves.

#### Eurocommunism Out of Fashion

/Question/ How do you view the dependence of the CP on Moscow?

/Answer/ This is one of the most hackneyed topics of anticommunist propaganda. The CP is not dependent on Moscow, or on Havana, or on any foreign place. Another fact is that the CP enthusiastically supports the socialist countries and particularly the Soviet Union because it defends genuine socialism, despite its imperfections. We support the genuine socialism that has already been established in many countries, but we are not agents for the international policy of any country. We want a Colombian international policy that is independent and autonomous and therefore we have said that we support President Betancur's idea that Colombia should affiliate itself with the movement of the nonaligned nations which is dependent on none of the present international power blocs.

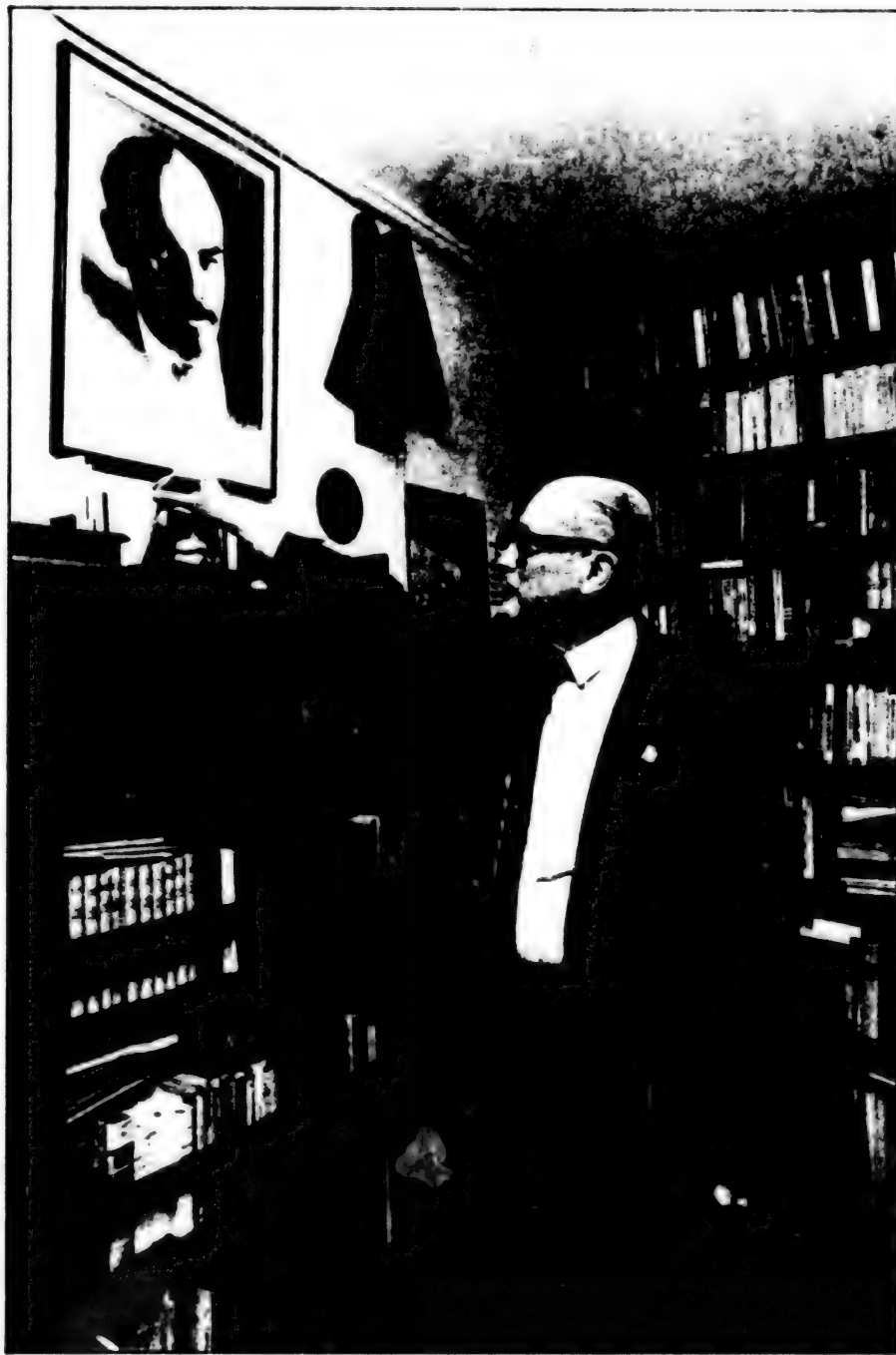
/Question/ Could you be referring to experiences such as those of the CP in Italy? Could the CP in Colombia adopt certain features of its own that would give it real independence?

/Answer/ It is our wish to dedicate ourselves basically to the study and solution of Colombian problems. The Italian CP has a policy that is very much its own; it criticizes the socialist parties and sets itself up as a model of socialism with freedom, without problems and contradictions such as those found in socialist countries. The question would be this: for the Italian communists to show us in practice how the model of society proposed by them is going to work. At present it is only an ideological proposition and so-called Eurocommunism, it seems to me, is going out of style.

#### The Good and the Bad Sides of the Government

/Question/ What is your view of the government of Belisario Betancur?

/Answer/ We regard President Betancur as a sincere self-appointed head who has announced his intention to create an opening for democracy and he has taken a few steps in that direction, by favoring, for example, high level meetings of all the political groups in the Ministry of Government to reach agreements with respect to certain legal and constitutional reforms that can be moulded into an opening for democracy. In other areas, we are seeing how the president lacked an economic program and found himself confronted by frightful surprises which the Minister of the Treasury has called "economic conflagrations." The way in which Betancur's government is dealing with this crisis is open to serious question. He decreed an emergency for the sole purpose of nationalizing the Banco del Estado and assuming the debts of Mr Felix Correa through inflationary currency issues. We communists believe that even though Betancur's decree in this economic emergency is a positive step, the financial crisis is extremely deep-seated and the procedure followed by the banks of lending themselves money was not practiced only in the case of the Banco del Estado and in Mr Correa's group, but is the standard procedure of the Colombian banking system. This problem can be solved only as it was solved in Mexico, with the general nationalization of the entire banking and financial system. The president has stated that he was surprised by the enormous deficit in the national budget. Why did he not realize this when he became a candidate? What is more, the so-called policy of agreement of President Betancur and his Minister of the Treasury has as its goal the reduction of inflation, a goal in which he has the support of all Colombians except those who profit from inflation. Indeed, it is not true that all Colombians are affected by inflation. There is a group that is benefited by it, the bankers and the exporters. As a result, a great majority of Colombians are willing to go along with the government to reach this goal, but frankly I regard the objective that the government has set for itself as utopian. Utopian as well is the proposal that salary increases cannot exceed 20 percent. I believe that this will pose a very serious problem for the president because, as is obvious, he is going to find himself faced with the demand of the workers that salaries be raised in proportion to the rise in the cost of living.



Surrounded by his well-stocked library,  
Gilberto Vieira appears in the company  
of Lenin.

3089  
CSO: 3348/166

## MINISTER VARGAS DISCUSSES GOVERNMENT DEFICIT

San Jose LA NACION in Spanish 30 Dec 82 p 2-A

[Text] The central government will begin next year's operations with a financial shortfall of 3 billion colons, according to a report by Dr Federico Vargas, Minister of the Treasury.

Vargas explained that this deficit does not include additional financing, such as that sought by the universities, in the amount of 1 billion colons, nor the 1,000 colon raise approved for public servants, nor government aid to autonomous institutions experiencing economic difficulties.

The shortfall will be fought with a cautious approach to public expenditures, with increased efficiency in the collection of taxes, and with the increased yield on liens that will be produced by economic recovery.

Vargas also said that next January he will send a bill to the Legislative Assembly to permit the issuance of treasury paper to the general public.

These treasury bills are issued by the central government and bought by the issuing institution. They will allow the government to alleviate its cash difficulties.

## Issues

Vargas pointed out that "small," inorganic issues are already being used now, principally to finance the purchase of medications from the Costa Rican Social Security Institute [CCSS] and the sale of subsidized dollars to students abroad.

He nevertheless pointed out that next year such issues will fall to a minimum, because otherwise they will endanger the economic stability we are now trying to achieve. "We must say goodbye to such practices," added Vargas.

In order to reduce public expenditures, the government is hoping for understanding from individuals in the public sector, and even from congressional deputies who "are always asking for assistance or saying, 'Save this or that institution! or Finance my project!'"

The above measures will be combined with greater efficiency in collecting taxes, a task in which Vargas estimates "we are 20 to 30 years behind, due to government carelessness."

Vargas said that the results of this undertaking will only be seen in the long run, although satisfactory results have already been obtained, for example in collecting the sales tax.

#### Public Expenditures

With regard to expenditure problems, Vargas said these have been amply discussed within government circles, and "it is no longer a question of whether or not to buy a few automobiles; the discussion is much broader now."

He explained that broad new definitions will have to be applied to institutions that traditionally operate in the red, such as the universities, or the various branches of CODESA [the Costa Rican Development Corporation, Inc.]

He said the difficulty usually arises when the leaders of some institution say they are convinced of the need to reduce expenditures, but "assure us that reductions must be made in some other organization, but not mine."

This is why he reasons that in order to adopt a good position on public expenditures a consensus must be sought that will include the various political parties and many other organizations. "The major decisions that must be approved ought to emerge from a consensus," added Vargas.

9839

CSO: 3248/427

## DEVELOPMENT FUNDS FOR COUNTRY'S NORTH ANNOUNCED

San Jose LA NACION in Spanish 27 Jan 83 p 6-A

[Excerpt] The government will assign \$16 million for development of the country's north region, Minister of the Presidency Fernando Berrocal Soto announced yesterday.

The official remarked that this was the main subject examined at the Council of Government meeting. The council also examined a statement published in LA NACION yesterday in which Finance Minister Dr Federico Vargas Peralta disclosed some problems he is facing owing to a possible rise of the government deficit to 5 billion colones.

It was also decided to hold a meeting of senior officials soon to study the problem of the cost of agricultural-livestock inputs, as well as of interest rates, particularly for agroindustrial sectors.

## North Region

Minister Berrocal recalled that President Luis Alberto Monge Alvarez many years ago had expressed the need to develop the country's north region.

Thus, he added, the government has given top priority to the development of that region and work on the pertinent plans has been going on since prior to his installation in the presidency on 8 May.

Berrocal reported that this country is about to be granted special financing for this project, which includes the construction of several highways and appropriation of considerable resources for agricultural development and for other infrastructure works.

The minister of the presidency said the land in that region is of excellent quality and its conditions are very good for the country's development.

"So that we are not misunderstood in a neighboring country," he emphasized that the aim of working on that region basically is one of national interest and particularly economic.

Berrocal announced that Planning Minister Eng Claudio Volio Guardia in the next few weeks will contact his Nicaraguan counterpart, Henry Ruiz, to explain the scope and content of this project.

Furthermore, he announced that the second regional forum, sponsored by the Executive Branch, will be held in March with the participation of representatives of all government institutions and of local organizations, for the purpose of learning even more about the problems of the north region.

9925

CSO: 3248/487

SUPREME COURT: DOLLAR DEBTS ARE NONCONVERTIBLE

San Jose LA NACION in Spanish 28 Jan 83 p 6-A

[Article by Lafitte Fernandez R.]

[Text] The Supreme Court yesterday rejected the possibility of paying off debts contracted in dollars and payable abroad by converting that currency into colones at the official exchange rate of 20 colones.

The rejection came about as the justices ruled against a petition of unconstitutionality presented by the president of a local firm that contracted that type of obligation.

The requirement of paying in dollars for debts and contracts that stipulate payments from and to Costa Rica is established by article 7, section 1 of the currency Law.

However, the firm's president, although admitting that he had an obligation to make payment in dollars in New York, claimed that the monetary requirement violates articles 121, section 17, 9 and 129 of the constitution.

The justices ruled against this claim and their reasons will be known when the ruling is written in the next few days.

The Case

The local firm contracted a debt payable in dollars at the Bank of America in New York, and its creditor has taken mortgage foreclosure action against the firm for default in payments.

The contract was made before changes in the type of official and free exchange rates were made in this country. Therefore, the businessman now confesses that he is about to lose a farm if he is not allowed to make payment in colones at the official exchange rate.

He recalled that article 121, section 17, of the constitution grants the Legislative Assembly the exclusive power to "determine the monetary unit law and to legislate on the currency..."

He says that this establishes absolute limitation on monetary law and, therefore, the rule that empowers contracting parties to pay in dollars abroad violates the constitution.

He believes that currency revaluation or devaluation of an administrative nature (made by contracting parties) "contradicts that constitutional stipulation."

He added that the nation's "monetary sovereignty" precisely is the inviolable public order on contractual matters, which cannot be repealed by contracting parties when agreeing on the currency for payment of obligations.

He further said that this lends itself to "the elimination of the colon from the national territory or from business deals in the latter, and to the extortion and ruin of Costa Rican debtors, for the benefit of the circulation in Costa Rica or from our country of freely but illegally contracted foreign currency."

He also claimed violation of article 9 of the constitution which prohibits delegation of functions between the branches of government. He explained, however, that in this case this has occurred not between such government structures "but for the benefit of private parties in a private contract and on a matter of public order."

He likewise believes that the monetary rule violates article 129 of the constitution, which makes it impossible to waive public order laws.

9925

CSO: 3248/487

## EDITORIAL QUESTIONS FMLN DENIAL OF INVOLVEMENT

San Jose LA NACION in Spanish 22 Dec 82 p 14-A

[Text] The Farabundo Marti guerrilla front, which is currently directing military action against the government of El Salvador, has sent President Monge a message in which the organization avers that it has nothing to do with recent terrorist acts in Costa Rica, nor with any campaign to destabilize the Costa Rican Government. The message goes on to say that the Farabundo Marti Front respects our nation and has no interest in promoting any subversive action. President Monge has said that he will reply to the message, presumably on the supposition that it is truthful.

The problem that the message presents is one of credibility. Terrorist acts and attacks of the last two years in Costa Rica have been planned by foreign groups--both Salvadoran and Nicaraguan--with the help in some cases, such as that of La Familia, of Costa Ricans trained by those same foreigners. These terrorist acts were preceded by patient and conscientious background work in material infrastructure and logistics--safe houses, terrorist jails, and trained support groups--all of which presuppose financial investment in the millions if we include the provision of arms, vehicles, communications systems, and outlays for food expenses. In almost every case, the terrorists captured "in flagrante delicto" have confessed that they belonged to Salvadoran or Central American terrorist organizations along the lines of the Farabundo Marti front. These details lead to the conclusion that it is not possible to attribute the criminal acts led by these foreign groups to their own spontaneous initiative, but rather, that their terrorist acts in Costa Rica have been conceived, planned, and financed and supported from El Salvador or Nicaragua.

Generally speaking, guerrillas take advantage of parallel groups or organizations, or special fronts, to do the dirtiest or most internationally compromising work. The Farabundo Marti Front may not have any direct relationship to the violence and destabilization we have been experiencing the last few months, but there remains a serious suspicion that somehow the Farabundo Marti is involved in these adventures.

If not, then where did these groups come from, and who was the ransom supposed to be for that the last two failed kidnappings sought? All this should persuade us to proceed with caution. We do not know how President Monge intends to reply to the protestations of innocence by the Farabundo Marti front, but whatever the terms of his reply, he must not dismiss the doubts we have put forward.

## BRIEFS

INFLATION RATE STATISTICS--The middle and lower income consumer price index for the metropolitan area in November was 78 percent, according to the latest data from the Head Office of Statistics and Censuses. In November, price hikes of 2.88 percent were recorded, the lowest increase all year, which suggests that the inflationary process may be losing momentum. In September, October, and November, the overall rise in prices amounted to 11.15 percent taking all 3 months together, as opposed to 10.73 percent in July. Inflation projections in the agreement signed with the IMF were calculated on the basis of exchange rates in effect during the latter months of the year, and were estimated at an average of 40 percent for 1983. With respect to the statement made by Alberto Fajt, first vice president of the republic, to the effect that by the end of this year inflation would be 18 percent, several economists who were consulted were unable to say how the vice president arrived at this figure. Vice President Fajt was not very explicit in his report. [Text] [San Jose LA NACION in Spanish 24 Dec 82 p 4-A] 9839

CSO: 3248/427

## MALMIERCA DISCUSSES NONALIGNED MEETING'S RESULTS

Havana BOHEMIA in Spanish in Spanish No 3, 21 Jan 83 pp 47-49

[Interview with Foreign Relations Minister Isidoro Octavio Malmierca Peoli, enroute from Managua to Havana; date not specified]

[Text] While 3,000 feet aloft, with the pointed nose of the TU-154 heading for the fatherland, which we were approaching at 900 kilometers per hour, in the front seat of the airplane we interviewed the head of the Cuban delegation to the Fifth Special Ministers' Meeting of the Coordinating Bureau of the Movement of Nonaligned Countries, Foreign Minister Isidoro Malmierca. The constant noise of the four turbojets served as background accompanying us in this exclusive conversation for the readers of BOHEMIA, just a few hours after the conclusion of the major gathering in Managua. Hence, it is fitting to begin by requesting the view of our minister of foreign relations concerning the results and significance of the event in which we have just participated.

[Answer] We think that the decision made by the Movement of Nonaligned Countries to hold a special ministers' meeting of the Coordinating Bureau to analyze the situation in Latin America and the Caribbean was a sign of the importance that the movement attaches to this region, and the struggle that its peoples are carrying out, in some instances to attain their genuine independence, and in others, to consolidate and develop it.

We also regard it as a correct assessment of the fact that the imperialists, the enemies of the people, are heightening the aggression and destabilizing action against the peoples of our region. Hence, the decision to hold a special meeting devoted exclusively to the situation in Latin America and the Caribbean was very important.

The fact that Managua, capital of the new Nicaragua, the Sandinista, nonaligned Nicaragua, was chosen as the site of this meeting is also a sign of the movement's recognition of the role that Nicaragua is playing in it, and of the need for, and feasibility of the Sandinista revolution's receiving a clear expression of the movement's solidarity. Furthermore, we had decided to hold it in mid-January, at a time when the pressure and attacks against Nicaragua were the most intensive, and on a date when we were 6 weeks from the time when the Seventh Summit Conference of the movement would be held in New Delhi, capital of India.

Therefore, all these factors, the decision to hold this type of meeting, the selection of the location where it was to be held, and the date, were already important factors. Its course was remarkably successful. The response to the notice of this meeting was remarkable. Over 100 delegations from member nations, observers and guests participated in the Managua meeting. In 34 instances, these delegations were headed by ministers or vice prime ministers, in some cases. The attendance at this meeting was a reiteration of the significance that the movement attaches to our region, and also an expression of its solidarity with our Latin American and Caribbean region, particularly toward the Sandinista revolution.

The communique adopted at the conclusion of long negotiations and lengthy debates (wherein there was marked preeminence of the views required to reach consensus and wherein some topics were subjected to analysis and debate for many hours, making it necessary to form small groups representing some countries more interested in devising the formulas that could receive consensus from all the participants) is an indication of the atmosphere which prevailed at the meeting. We think that the communique is a document containing a very complete and very thorough analysis of the real situation in Latin America and the Caribbean; one which seeks the causes of the difficulties now confronting our peoples. On many occasions, it quite clearly denounces the exploitation, meddling and intervention of the imperialists, the cause behind this situation; and it indicates the path required to seek the solution. In the case of Central America, El Salvador and Nicaragua, particularly, it backs the action to begin negotiations that might find just solutions in the area of the rights of peoples, and it emphasizes and proclaims the need for these negotiations.

In the case of El Salvador, it indicates that the proposals submitted by the FDR [Democratic Revolutionary Front]-FMLN [Farabundo Marti National Liberation Front] deserve the recognition of the Movement of Nonaligned Countries, and that, in any solution (and all are welcome, both those submitted by France and Mexico, or those from Mexico and Venezuela, and any other one), there must always be participation by all the major forces, especially the revolutionary forces represented by the Democratic Revolutionary Front and the Farabundo Marti National Liberation Front. Hence, we are of the opinion that the results of the Managua meeting are extremely positive, and that they constitute a highly important success for the movement and an encouragement for our peoples' struggle.

[Question] How do you assess the current situation in Central America, and in particular the potential for a regionalization of the conflict resulting from the aggressive policy of the United States in the area?

[Answer] If we are going to comment in the context of the special ministers' meeting of the Coordinating Bureau that we have just concluded in Managua, we should say that this was one of the topics that evoked the most concentrated attention, and that the paragraphs relating to this subject, Nos 39 and 40 of the communique, indicate how the imperialists' meddling and intervention are the main cause of the problems confronting the Salvadoran people, and stress the need for that meddling to stop, unconditionally and totally, as a means for paving the way to a possible solution. It also explains that the dangers of intervention could bring about a situation with very serious consequences for peace and security in the region,

and that we must therefore back all the efforts to seek a negotiated solution to the conflict, with the participation of the revolutionary forces, of course.

We are at a time when there is a veritable escalation of the imperialist meddling and intervention in El Salvador, and for this reason the danger of overt intervention by the imperialists is very great at present. We know that the development of the situation is becoming increasingly clear. Every day, the activity of the revolutionary forces is becoming more intensive; and every day, we learn of the defeats suffered by the Salvadoran Army, trained and directed by American military advisers. Every day, it is also becoming more evident that these military forces are in a state of growing demoralization. Hence we feel that there is a very urgent need to hold those negotiations that will pave the way for a peaceful solution to this conflict, and will enable us to avoid the risk of a regionalization of the Salvadoran conflict, which appears to be the goal of the imperialists.

Such regionalization would have very serious consequences, and not only for Central America; for we do not know what limits that situation might reach.

[Question] Minister, what is the status of the plans for the forthcoming summit conference in New Delhi, and to what extent could this meeting that we have just held affect its decisions regarding Latin America and the Caribbean?

[Answer] As we have said, we are now only 6 weeks away from the opening of the Seventh Summit Conference in the Indian capital. In Havana, New Delhi and also now, in Managua, we have held meetings with the Indian minister of external affairs, as well as with other officials of the Indian foreign ministry, regarding the plans for this meeting. From the information we have received, those plans are progressing very well. India has already received confirmation of the attendance of a large number of heads of state or government. During the next few days, in this month of January, India must submit the draft of the final declaration from the conference, which will make it possible to hold consultations and exchanges of views concerning its contents. The Indian Government is taking all the necessary steps to guarantee the conditions required for its success.

We consider this meeting in Managua to have been part of the plans for the summit conference. We have just made an exhaustive, complete, detailed analysis of the situation in this region of Latin America and the Caribbean. We think that it will help to give this issue, which must be present in the deliberations of the heads of state and government in India, the benefit of the results of the Managua meeting.

This summit conference is being held at a time when the international situation is especially complex. The international tension has reached extremely serious degrees, and the heads of state and government will certainly have to attach particular significance to the struggle for the defense of peace, the struggle to curb the arms race, and to prevent the policy of confrontation from being able to continue its negative effect on the international situation.

The Seventh Summit Conference must necessarily analyze the difficult economic situation in the capitalist countries, which is having a very negative effect on the Third World countries, and is even affecting the socialist countries. In his appearance before the United Nations General Assembly in 1979, after the convening

of the Sixth Summit, President Fidel Castro stated that, "without peace there can be no development," and he also concluded that, "without development there can be no peace." Hence, these two areas are closely associated, and we think that, at the Seventh Summit, these two topics will have to be thoroughly analyzed by the heads of state, in the search for solutions to this situation, for measures that can bring about an easing of the present international tension and pave the way for steps that will contribute to the social and economic development of the Third World countries, which constitute the vast majority of mankind. At the same time, such measures would make it possible to improve the situation of the developed countries with market economies which, without that development in the Third World countries, would encounter a situation that would make it very difficult to find the path to economic recovery.

Furthermore, of course, the Seventh Summit must analyze the situation which prevails in each of the different areas. For this reason, we think that, in the specific instance of Latin America and the Caribbean, the results from Managua will prove to be very useful.

[Question] During the past few weeks, there has been a proliferation of the maneuvers aimed at achieving participation in the summit by the representatives of that monstrosity called the "Democratic Government of Kampuchea," which has met with the steadfast rejection of India and other countries that are members of the movement, backing the resolution adopted at the Havana summit. What could you tell us in this regard?

[Answer] Actually, the steps taken for the participation of Pol Pot's clique (that group to blame for the genocidal action which nearly exterminated the people of Kampuchea) have been essentially on the part of countries which are not members of the Movement of Nonaligned Countries. It is one of the typical acts of meddling in the movement's activities, but the vast majority of the countries comprising it have expressed their repudiation of those attempts in one way or another. We do not think that there is any reason to warrant the presence of the representatives of the genocide which cost the lives of millions of children of the Kampuchean people. Hence, we think that the Seventh Summit will be able to take place without need for confronting such an abnormal situation, one so dissociated from the desires and principles of the movement, as the presence of representatives of Pol Pot and his allies.

[Question] Minister, at the present time, the government of the United States, supporting its allies in Israel, is attempting to force different formulas for an alleged "pacification" of Lebanon. What is Cuba's position on the current status of the conflict in the Middle East, and particularly on the present situation posed by the Palestinian and Lebanese problem?

[Answer] Our position has been voiced repeatedly. We consider the solution to the Palestinian question the only path to the solution of the Middle East conflict. The Palestinian question is the core of this conflict, and until there is a solution to this matter, until the Palestinian people (led by their only legitimate representative, the Palestine Liberation Organization) receive recognition of their inalienable right to establish a sovereign, independent state, and the right to return to their territories and to receive compensation for their property that

has been destroyed or disposed of, until the Palestinian people receive that recognition of all their rights, there will be no solution to the Middle East conflict.

Israel has continued its policy of annexation; the plans for the "Great Israel" nurture a policy aimed at annexation of Palestinian territory and that of other Arab states. International public opinion has been moved, and shaken, on many occasions; but, in our view, never with so much force, in connection with the Middle East situation, as it was on the occasion of the Israeli invasion of Lebanon, and the engagement in its action aimed at destroying the Palestinian Resistance and at physically eliminating its leaders, who were the targets pursued by the Israeli invasion.

Today, we find a situation wherein the Israeli occupation troops are still remaining in Lebanon, and we have learned about the massacres in the Palestinian camps at Sabra and Chatila, in Beirut, and about the continuation of the action by the American imperialists and their strategic allies, the Zionists of Israel, to perpetuate that presence and, from those bases, to plan further annexation attempts against other Arab territories. Therefore, we think that any solution to the Middle East situation will have to start with and be based on respect for the inalienable rights of the Palestinian people.

[Question] Mr Minister, the Mexican Government has been playing a leading role in Latin American policy, and has recently taken further steps in the search for a solution to the conflict in Central America. What could you tell us about this?

[Answer] We have always given a very positive evaluation to the positions of the Mexican Government, and to the efforts and action expended by it to contribute to a just solution for the existing situation involving the peoples of Central America. There have been various actions: that of the government of France, and that of Mexico; the action taken by the president of Mexico and the president of Venezuela; and, more recently, the meeting on Contadora Island, in Panama, of the foreign ministers of Mexico, Venezuela, Colombia and Panama. At this latter meeting, there was once again an expression of the need for seeking a negotiated solution to the situation in El Salvador and, in general, to the state of upheaval in Central America caused by imperialist interference. In their statements to the press, the foreign ministers of these four countries noted that it was unacceptable to blame the situation currently existing in Central America on the East-West conflicts; and we consider this an expression of the continuity of Mexico's foreign policy, which has been marked by efforts to help solve the problems currently confronting us, and to guarantee respect for the rights of our peoples.

[Question] Minister, the American State Department document which was circulated among all the delegations, at the petition of the Cuban delegation, is without precedent at the movement's meetings; and it has been denounced as a flagrant offense against the sovereignty of the countries to which it was given. Could you add any comment on this new imperialist maneuver?

[Answer] Well, what is unprecedented is the fact that we succeeded in learning about, and publicizing it. It is possible that this practice on the part of the imperialists has been going on for some time. On this occasion, we managed to learn about this document, and found that it was actually being used by representatives of governments, without any respect for their sovereign, independent nature, who were speaking through the American voice.

We found out about the document at the beginning of the conference, but we did not want to make any use of it until we discovered that the document might actually be used as a guide for the speeches of certain representatives. When this happened, we disclosed it, and we demonstrated that this representative was reading, verbatim, the instructions from the State Department. Later, we circulated the document. The reading of this document proves the cynicism of the United States in each one of the issues dealt with. In it, mention is made of the Panama Canal Treaty, Cuba, Grenada, Suriname, and the Malvinas... It was very interesting to learn that, after it was circulated, an Argentine journalist remarked that the Argentine foreign ministry had received a similar document, but that the portions relating to the Falklands had been eliminated from it. Some newsmen asked the Panamanian foreign minister whether Panama had received it, and whether, in the case of this country, the portions about the Canal had been eliminated from it. The Panamanian foreign minister said no, that Panama had not received this document.

This is a new proof of the arrogance and presumptuousness of the imperialists, who think that they can influence governments and states that are members of the movement to uphold their positions. We should note that, in addition to learning that the United States distributed this document, we also discovered the repudiation that it received, when it attempted to submit it, on many occasions. And we found it noteworthy that there were very few instances wherein, during the Managua meeting, any representatives attempted to use the document distributed by the State Department as a basis for their remarks.

[Question] One final question before landing. Does the reestablishment of diplomatic relations with Bolivia open up new prospects for an expansion of our ties with South America?

[Answer] When we signed the document which reestablished diplomatic relations between Cuba and Bolivia, we were asked a similar question. We ascribe to the reestablishment of diplomatic relations between the two countries the value that this fact has for the relations between our two peoples and governments. We do not attach any ulterior motive to it. We believe that the relations between the governments of Cuba and Bolivia are being restored now, but that the relations between our two peoples were never interrupted.

Now, due to the fact that the people of Bolivia have succeeded in putting behind them the long night of tyranny, and suppression of rights and liberties, there is beginning a new era in which our two peoples, and our governments, will be able to develop their relations constructively.

The stewardess' announcement that we shall be landing at Jose Marti International Airport within a few minutes brings our interview to an end. Managua remains far distant, but its sleepless nights brighten the way to New Delhi.

2909

CSO: 3248/505

## SOVIET AGRICULTURE ADVISER DISCUSSES AID PROGRAM

Havana ANAP in Spanish Nov 82 pp 8-9

[Interview with engineer Yuriy Podtykaylov, the chief Soviet adviser to the Ministry of Agriculture, by Manuel Buendia; date and place not given]

[Text] The Soviet specialists who provide their valuable services in the field of Cuban agriculture work enthusiastically hand in hand with their colleagues of the Island of Freedom to transform this fundamental branch of the country's economy in the shortest possible amount of time, chiefly through mechanization and the training of highly skilled personnel.

Soviets and Cubans are working together to implement the proposals of the 26th Congress of the Communist Party of the Soviet Union (CPSU) and the Second Congress of the Cuban Communist Party. This effort has produced great successes, chiefly during these past 5 years, like the one achieved by Cuban geneticists and the Soviet specialist, doctor of science candidate Tursunbay Izkhakov, at the Nina Bonita Experimental Station. There they created and tested two new species of rice: ESIA-24 and J-104, which meet international requirements in terms of their gluten content, transparency and high taste quality. Furthermore, they grow quickly and produce high yields.

To learn about other things related to the work the Soviet specialists who are providing their services in the field of agriculture in our country are doing, we interviewed the chief adviser, Yuriy Podtykaylov:

[Question] What achievements have you realized in the field of Cuban agriculture during the last 5 years through the joint efforts of Soviet and Cuban specialists?

[Answer] A large group of Soviet specialists has been working on problems having to do with the protection of soils against erosion by water. They drafted recommendations and plans which produced positive results when they were practically applied. For example, on the Isle of Youth damage by that destructive agent was avoided on citrus plantations, which permitted quicker development of crops and a better harvest. This activity was directed by Viktor Tikhomirov, a doctor of science candidate who is at present working on a system of complex measures for the protection of soils against erosion in all the provinces.

Good results have also been achieved in the joint work of specialists in the fields of agrochemistry and pedology (soil science).

One of the most important problems in the field of Cuban agriculture is the chemical improvement of acid soils. Adviser Anatoliy Portonoy and Cuban specialists have set the standards for the chief agrochemical characteristics of the fundamental types of soil as well as the amount of lime and the yield per species.

Our interviewee added that in all the provinces they have begun the work of general application of the results obtained during the second phase of agrochemical research on different types of rice in order to compare them with those of the first phase. And the third phase has begun with different species of rice, citrus fruits and tobacco.

In 1982 up to now 97.9 percent of this year's rice field samples have been collected and 70 percent of the citrus grove samples.

After saying that the annual volume of samples taken from the soil comes to 100,000, Podtykaylov told us that he is about to complete the first saline soil map of the Republic of Cuba and that the nutritional values of foods are also being measured for the purpose of completing the national tables by the end of this year, tables by means of which livestock rations can be scientifically determined, thus increasing productivity.

Furthermore, we may say that the joint efforts of Soviet and Cuban specialists in calculating the optimal size of our tractor and farm equipment pool, regulating the system of maintenance and supply of technical materiel and organizing the repair and replacement of parts in the workshops are successfully being realized.

Our interviewee used a ruler to sketch his ideas and then continued his interesting report.

Irrigation and drainage specialists advise and work at devising national systems of mechanized hydraulic farming. A plant hygiene service has been organized and is being improved and prophylactic research and projects conducted by our comrades at the Institute of Veterinary Medicine are in progress. With reference to forestry, a scientifically justifiable system for renewing, developing and building up Cuba's forests is being worked out.

[Question] What is the outlook for scientific-technical cooperation during the next 5 years?

[Answer] During the next few years scientific-technical cooperation in the field of agriculture will increase and become more extensive. We still have to make a great effort to raise rice crop yields even more and to create a system scientifically founded on specialized enterprises, the field of

mechanization and electrification and changing the troublesome processes that still exist in the livestock industry and agronomy, mainly involving the bean, kenaf, onion and garden vegetable crops.

We must in the shortest possible time resolve the problems of processing and storage of feed for beef and especially dairy cattle.

[Question] Next we ask you about the contribution made by Soviet specialists during the 1981-1982 sugar can harvest.

[Answer] We are very happy with the results obtained during the 1981-1982 cane harvest. During the season our specialists made positive recommendations for the creation of agroindustrial complexes consisting of mills and cane cultivation enterprises. Today Soviet and Cuban agricultural technicians are doing a great job of preparing for the next campaign with an eye to achieving proper exploitation of the maximum potential of the sugar mills, launching the construction of new ones and the rebuilding of the old ones as well as the effective organization of the transport complex.

[Question] Can you tell us how the Soviet specialists in Cuba feel on the eve of the 65th anniversary of the October Revolution and the 60th of the founding of the Soviet Union?

[Answer] On the occasion of the celebration on 7 November of the birth of the world's first socialist state and on 30 December of the 60th anniversary of the founding of the USSR, the Soviet specialists are redoubling their efforts and with pride and honor helping your beautiful country on behalf of proletarian internationalism. At this time we want to wish you, our Cuban friends, success on the next revolutionary transformations in the field of agriculture, in the edification of socialism and in the application of the resolutions of the Second Congress of the Cuban Communist Party.

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CSO: 3248/470

DIFFICULTIES REPORTED IN PUBLISHING MONTHLY MAGAZINES

'ANAP' Cutback Noted

Havana ANAP in Spanish Oct 82 p 3

[Note from the management of ANAP to its readers]

[Text] Due to technical difficulties at our printing shop, as of now we find it necessary to reduce the magazine ANAP, which up until our last issue consisted of 48 pages, not including the cover pages, to 32 pages plus 4 cover pages, which will undoubtedly quantitatively affect its content.

We apologize to our subscribers and readers in general for this unexpected reduction in the number of pages which we hope will not last indefinitely and may offer some compensation in the fact that we will be able to regain our usual schedule of publication of this magazine, which has been altered these past few months.

'MUJERES' Delays Explained

Havana MUJERES in Spanish Nov 82 p 3

[Note from the editors of MUJERES to its readers]

[Text] In the course of these past few months we have received many letters and phone calls from comrades interested in knowing the reasons for the delays there have been in issuing MUJERES.

We apologize to all our subscribers, collectors, readers and to subscribing institutions and libraries and advise you that these irregularities have been caused by difficulties at the Jesus Menendez Printing Shop, where the magazine is composed.

As regards our publication, it was necessary to cancel the September and October issues due to delays and to reduce the number of pages to 64.

We also notify subscribers that they may address their claims to the Empresa COPREFIL [Post, Press and Philatelic Enterprise] of the Ministry of Communications for the rebates due them.

We hope that you can understand these difficulties and that we may continue to count on your inspiration, which has encouraged us so much in our effort.

11466

CSO: 3248/470

## LEZCANO REITERATES SUPPORT FOR PALESTINIAN CAUSE

FL161937 Havana Domestic Service in Spanish 1800 GMT 16 Feb 83

[Excerpt] True to its internationalist principles, Cuba has reiterated its support for the heroic struggle of the Palestinian people until their final victory. Jorge Lezcano, vice president of the National Assembly, conveyed this expression of Cuban solidarity to the Palestine National Council.

The 400 Palestinian delegates greeted Lezcano, a member of our party's Central Committee, with a long ovation. In his greeting, Lezcano said that Cuba sees the Palestinian people's cause as its own struggle. He denounced the arrogance of the Zionists who refuse to leave Lebanon and other occupied territories and the complicity of Washington in this.

He also criticized the false U.S. mediation which tends to divide Arab countries and gives Zionism a freehand.

The vice president of the Cuban National Assembly emphasized that we are fully confident the people will never be defeated. He recalled the message Fidel sent to Yasir 'Arafat in which he stressed that the entire world has viewed with astonishment and admiration the example of courage shown by the Palestinian people, and added: The cause of the Palestinian people is immortal and it will triumph under the PLO leadership and its top and prestigious leader Yasir 'Arafat. [passage omitted]

CSO: 3248/539

FOREIGN SERVICE WORKERS GET CLANDESTINE MEDAL

FL170200 Havana Domestic Service in Spanish 0000 GMT 17 Feb 83

[Text] Commander of the Revolution Ramiro Valdes Menendez, member of the Party Politburo, vice president of the Council of State and minister of the interior, delivered the closing remarks at a ceremony held this afternoon to present the Clandestine Struggle Medal to six comrades who had been filling posts in the foreign service at the time of the award.

These comrades were Severo Aguirre Del Cristo, Ana Maria Gonzalez, (Arnillo Zubiaur Mir), Raul Ferrer Perez, Jose Armando Guerra Menchero and Jorge Morente Caballero. At the ceremony held at the Jacinto Torras Auditorium of the Foreign Ministry, 199 Foreign Ministry workers were also honored for their work in 1981 and 1982.

Overcome by emotion and speaking on behalf of the recipients, Dr Ana Maria Gonzalez expressed her thanks for the honor bestowed and payed tribute to the combatants who fell in the struggle.

Presiding over the ceremony, besides Commander of the Revolution Ramiro Valdes, were Carlos Rafael Rodriguez, member of the Politburo and vice president of the Council of State and ministers; Jesus Montane Oropesa, alternate member of the Politburo and chief of the Central Committee's Department of Foreign Relations; Isidoro Malmierca, member of the Central Committee and minister of foreign relations, other members of the Central Committee and leaders of the government and mass organizations.

CSO: 3248/539

## HEAVY RAINS, TORNADO CAUSE 'SERIOUS DAMAGE'

FL171300 Havana Domestic Service in Spanish 1145 GMT 17 Feb 83

[Text] Heavy downpours, which began yesterday morning, have caused serious damage to the economy of the western and central regions of our territory. These downpours were accompanied by hailstone and gusts of winds of up to 180 kms per hour.

San Antonio De Los Banos, Santiago De Las Vegas, Tapaste and San Antonio Cape reported winds of 144, 138, 106 and 100 kms per hour, respectively. Specialists of the Institute of Meteorology are going over the path followed by a tornado through Santiago De Las Vegas at about 1530 GMT.

Even though virtually all Havana city province's municipalities suffered damages caused by severe rains, according to partial reports received as of midnight, those most affected were Boyeros and Cotorro.

The atmospheric phenomenon strongly lashed the areas of San Antonio De Los Banos, Santiago De Las Vegas, Boyeros, [word indistinct], Cotorro and Santa Maria Del Rosario. Boyeros reported some 130 damaged dwellings, numerous downed trees, interrupted traffic and electric power and severe damage at the Jose Marti International Airport forcing a temporary halt to all operations. The selfless and, in many instances heroic attitude of the airport's workers prevented the possibility of heavier damage.

San Antonio De Los Banos reported 4 seriously and 15 slightly injured persons as a result of the collapse of rural dwellings. Sixty-two caballerias of tobacco farms were flooded and numerous sheds collapsed. It was also reported that there was severe damage to vegetable farms. Some 400,000 plantain plants fell and 40 caballerias of potato fields were flooded with the plants' foliage heavily damaged.

The cattle industry was also affected by the severe downpours. Dairy and rabbit farms reported heavy damage and the death of some 2,700 animals.

CSO: 3248/539

## UN SECRETARY ON TROOPS TO ANGOLA

PA171444 Havana International Service in Spanish 0000 GMT 16 Feb 83

[Text] UN Secretary General Javier Perez De Cuellar reiterated in Geneva today that the withdrawal of Cuban troops from Angola must not be established as a condition for Namibia's independence. Perez de Cuellar stressed at a press conference that the nine countries that he visited in his recent tour of Africa oppose this condition, cited by the United States and South Africa.

He underlined that UN Security Council Resolution 435 continues to be the basic guideline for achieving the independence of Namibia, a territory illegally occupied by the Pretoria regime.

Before the press conference Perez De Cuellar spoke at the UN Committee on Disarmament and the 39th Session of the UN Human Rights Commission. In the first forum he affirmed that 1983 is a crucial year for disarmament and, consequently, for the common future of humankind. At the session of the UN Committee on Human Rights he said that we are still far from being a world in which fundamental liberties and the dignity of human beings are universally accepted. After pledging that he will give the highest priority to protecting human rights throughout the world, he deplored the unbridled arms buildup, the mass exodus, the state of siege, the practice of torture and the racial discrimination in South Africa.

CSO: 3248/539

## BRIEFS

AMBASSADOR'S CREDENTIALS--Nouakchott--Mauritanian President Mohamed Khouna Ould Haidalla received the credentials presented by Raul Barzaga, the new Cuban ambassador to that country, yesterday. [Text] [FL161425 Havana Domestic Television Service in Spanish 1315 GMT 16 Feb 83]

JUAN BOSCH LECTURES--Juan Bosch, the outstanding intellectual from the Dominican Republic, lectured at the House of the Americas in Havana, on capitalism in the Dominican Republic. The Association of Dominican Residents of Cuba, invited Bosch to participate in the cultural meetings sponsored by the association. Bosch explained how capitalism developed in the Dominican Republic during the 1940's under the Trujillo dictatorship. Trujillo was able to impose capitalism on his country because of the control he had over business, politics and the armed forces. According to Bosch, capitalism is not the solution to the Dominican Republic's main problems; it is nothing more than a U.S. Government instrument for handling its domestic and international policies. [Text] [PA161852 Havana International Service in Spanish 1600 GMT 16 Feb 83]

COOPERATION TALKS WITH SEYCHELLES--The third Cuba-Seychelles Intergovernmental Meeting has opened at the Protocol Hall of the Sierra Maestra Hotel in Havana. Cooperation between the two nations includes public health, agriculture, education, radio and television and transportation. The talks are being chaired by Hector Rodriguez Llompart, member of Cuba's Communist Party Central Committee and minister president of the State Committee for Economic Cooperation, and Seychelles' Development Minister Jacques Hodoul. [Text] [FL171441 Havana Domestic Service in Spanish 1200 GMT 17 Feb 83]

CSO: 3248/539

## SUFFICIENT COFFEE TO MEET EXPORT QUOTA

San Salvador LA PRENSA GRAFICA in Spanish 21 Jan 83 pp 3, 21

[Text] At a press conference yesterday Alberto Benitez Bonilla, president of the Central Reserve Bank [BCR] gave assurances that El Salvador has a large enough surplus of coffee to meet the 1983 coffee export quota set by the International Coffee Organization [OIC].

The bank official therefore clarified a news item unrelated to some statements made by the minister of economics, Dr Jose Manuel Pacas in which the international agency AP adds that BCR reports that El Salvador will not be able to meet its coffee quota this year.

"We categorically deny the above statement," affirmed Benitez Bonilla. "For BCR, for the nation, and especially for the coffee sector, we believe that the statement carries with it a grave danger to the country on the domestic and international fronts, since the implication that we cannot meet the quota set by OIC is alarming news."

Benitez Bonilla, who was accompanied at the press conference by the president of the International Coffee Institute [INCAFE], Miguel Angel Solorzano and the second vice president of BCR, Rafael Alvarez Zaldivar, explained that, "On the contrary, our country has a large surplus of coffee, the exact figure being available at OIC headquarters in London, England."

He explained in detail that an exportable production of 3.4 million quintals is expected for the 1982/83 coffee crop, that the anticipated crop for 1982/83 is 10 percent higher than the 1981/82 crop and that the export quota set by OIC for El Salvador for the 1982/83 crop is approximately 3.0 million quintals.

He said, "All of the preceding information proves that the surplus held by INCAFE to date would increase even if OIC did not raise or lower the quotas set for the 1982/83 crop."

He also stated at the press conference that, "Our problem centers on the marketing of El Salvador's coffee surplus."

The president of INCAFE, Mr Miguel Angel Solorzano, confirmed that with only the surplus which has already been verified by OIC, in our country, in European ports and in the United States, there would be more than enough coffee to fill the export quotas. "It is the surpluses that concern us and which we are, at this moment, attempting to place in non-member countries so as not to jeopardize coffee prices," he said.

BCR president, Benitez Bonilla concluded by saying, "We want to make it clear that we have not provided production figures for the next crop or the amount of coffee on hand because any information about figures relating to the availability of coffee which is incorrectly disseminated affects the nation's interests.

9787

CSO: 3248/488

## FINANCE MINISTER ON NEED TO ISSUE BONDS TO FINANCE BUDGET

San Salvador LA PRENSA GRAFICA in Spanish 18 Jan 83 pp 3, 60

[Text] Domestic indebtedness is the only viable solution to financing the 1983 budget, according to finance minister, Dr Jorge Eduardo Tenorio, speaking before the Finance Commission of the constituent assembly.

The head of this ministry was called upon to provide an explanation for the necessity of issuing bonds of up to 350 million colons, the authorization for which had been requested by the executive branch.

According to the request, the yield from those bonds will be used to complete the financing of the general 1983 budget. The bonds will have a 15-year term, will yield 8 percent annual interest and will produce profits common to that type of investment.

The minister explained that the budget is divided into two main headings; public expenses and public income. With regard to the former, he indicated that because of the conflict which exists in the country and because of foreign influences, costs are increasing since the government has been placed in the position of revitalizing the economy and is the largest employer in the country due to the economic recession. "Public expenses have reached 2.54 billion, an amount we hope not to exceed, provided that there are no events or circumstances that force us to spend more," said Tenorio, who explained that austerity measures have been taken to keep the budget at the level or to reduce it if possible.

"Public income is not sufficient to meet government expenses," he stated. Therefore, the only alternative is to reduce indebtedness, either foreign or domestic; but since the first alternative would not be sufficient, the only other alternative is the second, domestic indebtedness, and thus the reason for the necessity of issuing these bonds which may be obtained by individuals, private institutions or the central bank.

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CSO: 3248/488

## NEW CONSTITUTION TO INCLUDE ELECTORAL REFORM GUIDELINES

San Salvador LA PRENSA GRAFICA in Spanish 20 Jan 83 pp 3, 23

[Text] In order to become acquainted with and study the general guidelines relating to election information which will be contained in the country's new constitution, members of the Central Elections Council [CCE] yesterday visited the constituent commission charged with drawing up the constitution.

CCE president, Ricardo Alfredo Maida, explained that it is a concern of his organization to be planning an upcoming election at exactly the same time a new constitution project is being undertaken which apparently will contain many reforms. Dr Maida said, "We therefore feel slightly swamped since we want to get started, to begin to develop our electoral law project, but first we need to know the guidelines which will be contained in the new constitution project regarding elections."

He said, "The purpose of this visit is to come together, to combine our efforts and our project with the constituent commission in order to succeed in having elections that are absolutely impartial."

## Electoral Registration

Without criticizing the previous council, the president of CCE stated before the constituent commission for the new constitution that the present work of CCE is distinct and apart from that of the previous council. "The last election," he said, "was held without the usual, time-honored controls that elections require and to which we are going to adhere; this is not a criticism of the previous council since all of the factions worked together for that election in which only an identification card was required in order to cast a vote. The next election or series of elections over which we will preside," said Dr Maida, "will be controlled, and therefore they will be more difficult, and it will be necessary to put into force the electoral identification card, the CCE card itself."

## Offer of Collaboration

Dr Rafael Moran Castaneda, president of the constituent commission for the new constitution, offered to CCE members who visited the assembly all necessary collaboration so that the council can begin preparations on the new electoral

law project and establish working plans based on the new electoral guidelines.

#### Concern

Council president, Dr Maida, speaking for all of the members pointed out to the constituent commission the concern of CCE that under the new constitution it might not be given the standing or institutional and legal means of power in an autonomous form to carry forward an electoral process, in which case the council would certainly be placed in a difficult position to be able to conduct an honest and democratic electoral process.

Dr Moran Castaneda, Dr Camacho and other delegates to the commission informed CCE members Dr Ricardo Alfredo Maida, Engineer Roberto Meza, Sr., Jaime Trabanino, Dr Eduardo Enrique Campos, Dr Manuel Atilo Hasbun and Dr Eguizabal that under the new constitution, CCE will have all the powers and means necessary to guarantee an honest and democratic electoral process.

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CS0: 3248/488

## GRENADA SAID TO BECOME 'SECOND CUBA'

Hamburg WELT AM SONNTAG in German 9 Jan 83

[Article by Uwe Siemon-Netto: "A Black Castro Is in the Process of Turning an Island of the Queen Into a Second Cuba: Grenada--the Most Charming Island in the Caribbean. Russians Have Purchased 17 Villas on Belafonte's 'Island in the Sun'"]

[Text] St. George's. For an hour we stood silently next to each other at the bar. He was a young black, I a white man barely past the midpoint of life. My attempt to start up a conversation with him at first failed because of his taciturnity, which was not typical for a man from the Antilles.

Finally he asked me: "American?"

I replied: "German."

He: "East or West?"

I: "West."

He: "Comrade?"

I: "No."

Thereupon he smiled and explained to me his behavior up to now: "You know why the people of Grenada fly to Trinidad to see a dentist? Because there they can open their mouth without worry."

I pinched myself. Where was I? In the GDR? In the USSR? Was this the latest from Radio Yerevan? No, I was in Grenada, "My Island in the Sun," as Harry Belafonte sang about the most charming of the Caribbean islands.

But dark vapors lie over this tropical pygmy state, whose sovereign in formal terms is still the Queen: A black Castro is in the process of turning the Commonwealth member into a second Cuba, into one of the most important potential bases for Moscow's military and political plans in the Caribbean area, in Central and South America, at the "soft underbelly of the United States," as one likes to put it there.

This is why the people in Grenada approach strangers with similar caution as Central Germans or Czechs: Either they are silent, like my neighbor in a harbor bar in the picturesque capital of St. George's was at first, or they speak in parables.

"What do you think of Bishop?" I asked a hitchhiker whom I had picked up in my rental car. I had in mind Prime Minister Maurice Bishop, who came to power in an almost bloodless coup d'etat (only two dead) on 13 March 1979. His name means bishop.

"Bishop? Bishop?" my passenger pretended to rack his brain. "You know, I am Anglican. We do not have a bishop here. But I hear that the Catholic bishop is very nice."

This Catholic bishop is called Sydney Charles. He is the prelate of 65 percent of the 110,000 consistently pious inhabitants of Grenada, which is why he is still being treated by the regime like a raw egg for the time being. And recently he said in public: "There are two bishops on this land, and we both have the grenadians [sic] on our knees." The other bishop was not very happy to hear this.

Prime Minister Maurice Bishop is 39 years old, well-built and without a sense of humor. His wife Angela, a former carnival princess, has left with her children for Canada; his current girlfriend, Jacqueline Creft, who has also made him a father, was appointed by him to the post of minister of education.

After his coup d'etat 4 years ago, Bishop promised elections in the near future. And he would have won easily, for his action was popular at that time.

Sir Eric Gairy, the prime minister who was overthrown by him, was regarded as corrupt and slightly crazy. He busied himself primarily with unidentified flying objects (UFO), and he happened to be in New York at the time to address the United Nations on the subject of UFO when he lost his power at home to Maurice Bishop.

But Maurice Bishop did not keep his promise to hold elections. Today, many people in Grenada assured me, he would no longer win an election; at most 20 percent of the people stand behind him, I was told. And so he said that Grenada would never "return to the farce of the parliamentary system a la Westminster."

But it so happens that in Grenada's neighboring countries--for example Barbados, Trinidad and Jamaica--the democratic traditions are carefully cultivated as the most precious legacy from the period of British colonialism. Among other things, this necessitates a courageous free press. With regularity it publishes the names of political prisoners, some of whom have been imprisoned in the dreaded "Richmond-Hill" prison for almost 4 years, without ever having been charged with an offense.

This tropical Bautzen [fortress] is largely being ignored by the European and North American leftist intellectuals who are streaming into Grenada in order to support the 'revolution' there.

There is, for example, Angela Davis, today the second highest official of the American Communist Party; in the spring she came with 14 relatives at the expense of the taxpayers of Grenada to the island for a carnival celebration.

There is Philip Agee, the former CIA agent derailed to the left, who from time to time also lives in Germany and is so closely allied with Grenada that he is traveling through the world with a passport of the mini-state.

There is the precentor of German peace marchers, Harry Belafonte, who likes to be invited to "My Island in the Sun" and assures the natives that free elections are not necessary.

The prison of Grenada would really be worth the interest of people like that. For the conditions prevailing there justify the word "isolation torture," which is so popular among the leftists. As several members of the clergy and relatives of prisoners told me, the inmates of "Richmond Hill" are locked into their cells for 23 hours a day, frequently in solitary confinement in tiny dark rooms, whose only furniture are the foam rubber mattresses without any linen that lie on the floor.

Only every 2 weeks are they allowed to see their relatives for 15 minutes. The relatives have to bring them clean clothing, biscuits and milk; the food in the prison is barely eatable. A typical menu looks as follows: A muddy brown soup made of figs or flour and water and then boiled fish heads.

No outsider knows the exact number of prisoners in "Richmond Hill." The journalist Alister Hughes, a brown Ossietzky, who with unimaginable courage informs the outside world about the conditions in Grenada, told me: "I had compiled a list of 100 names, but then 28 were released, and among them were many of whom I did not know that they were in 'Richmond Hill.' Consequently I have to assume that there are still other people there about whom I do not know anything."

Over 100 political prisoners: A large number for a small country. If similar conditions prevailed in the Federal Republic, close to 50,000 opponents of the regime would have to populate the penitentiaries according to this scale.

The prison is so full that for the time being it can no longer accept common criminals. I was told the story of a murderer whom the police brought to the penitentiary, where he was turned back at the gate because of lack of space. He was sent home by way of hitchhiking.

A strange perversion of the British builders of "Richmond Hill" is responsible for the fact that it has the most beautiful view of the picturesque harbor of St. George's.

A bit farther on the same road an airy villa is located which is regarded as the real power center of the island.

This is where the 38-year-old Cuban ambassador Julian Torres Rizo lives and works, a prudent dark-haired gentleman who is married to a white American woman by the name of Gail.

Torres is not an ordinary ambassador, but a high-ranking officer of the Cuban secret service DGI. In 1976 he was identified as the leading Cuban agent in the United States.

In Grenada hardly anyone doubts that Torres and the DGI planned the coup d'etat which brought Maurice Bishop to power 4 years ago. A month after the coup Torres turned up as charge d'affaires in St. George's--as one of the first of the many hundreds of Cubans who are on the island today.

Approximately 350 of them are working on a project which is causing some concern to the United States: They are building an international airport with a runway of almost 3 kilometers.

Officially the word is that this airport is supposed to entice jumbo jets full of tourists to Grenada. But a single figure shows what one should think of this version: At the moment there is a total of only 450 hotel beds on the entire island....

Of the \$70 million which the airport will cost, \$2.2 million is coming from the development fund of the European Community. The Cubans are investing \$33.6 million in the enterprise.

In Washington people believe that the Europeans are thus helping to finance a Soviet-Cuban airbase directed against the United States.

"The fact is," a prominent Grenadian told me, "that our country is being transformed into a Soviet aircraft carrier."

How important Grenada is for the Soviets is indicated alone by the fact that Admiral Gorshkov, the commander of the Soviet Navy, inspected the island 2 years ago.

Since that time the Soviet embassy has bought 17 luxurious villas on the island. Libya, too, maintains a large embassy in the ministate. The GDR has sent "technical advisers" to the island. And the pygmy-state has at its disposal a 75,000 watt transmitter, which is stronger than the transmitters of the Voice of America and can also be received in Europe.

When Maurice Bishop overthrew his predecessor Gairy, the country only had 140 soldiers. Today the regular army has 1,500 men and the people's militia another 8,000 to 15,000. All in all they constitute more than one-seventh of the population and they are being trained by Cubans. Guerrillas, including PLO terrorists, are supposedly to be trained at the army base of Calivigny.

The "Island of Spices" is now teeming with young blacks who are playing Red Army soldiers: With Soviet steel helmets, Soviet belt gear and Kalashnikov rifles. The Cubans apparently not only brought hundreds of military vehicles of the Zyl and Gas trademarks into the country, but also heavy equipment: On 25 August the Cuban freighter "Baira" docked in St. George's. In the evening a blackout was imposed on the entire country. Those who were trying to find their way in the darkened streets were escorted home by military personnel.

And then throughout the night heavy vehicles rolled from the harbor to the army base of Calivigny. They transported giant crates, in which, among other things, the most modern Soviet anti-aircraft rockets were suspected.

The Grenadians, one of the most lovable and hospitable peoples of the Caribbean, see and hear what is going on around them, and they behave like a people behaves when it is afraid: They rush into the churches, which have not been so full in decades. "For all of us feel," a priest told me, "that something is brewing here."

[Map caption] Grenada's strategic position is of great value. Brazil, the oil fields of Venezuela, and shipping lanes that are vital for the United States lie within reach of jets.

[Picture caption] Charlotte Town on the West coast of Grenada is one of the oldest settlements of Grenada. A total of 110,000 people live on the 334-square-kilometer-large island.

8970

CSO: 8020/0741

## EQUIPMENT INSTALLATION IN NEW AIRPORT TO BEGIN

FL121625 Bridgetown CANA in English 1521 GMT 12 Feb 83

[Text] St Georges, Grenada, 12 Feb (CANA)--Grenada will begin installing equipment in its new international airport now nearing completion by April, when a team of experts from Britain is due here, according to a government statement.

It said the first group of technical supervisors from the British airport equipment supply firm Plessey Airports Limited was expected in Grenada within three months.

The statement quoted Mike Bernard, Plessey's project manager at the airport site here, as saying that a stand-by generator, transformers, cables and switch gear will arrive in the island by the end of March.

He said that apart from the British technical supervisors, his company will be employing local technicians.

Mr Bernard said Plessey will also be supplying the terminal building with a telephone system, equipment for fire protection, a public address system, catting equipment, glazing, sealing and the total power distribution.

The supply of equipment is under a 20-month contract signed last year and worth some 6.5 million dollars (one BC dollar ; 37 cents U.S.O airport would be completed by the first half of 1984 provided there were not many delays.

CSO: 3298/1209

## PRG HOLDS DEVELOPMENT TALKS IN CARRIACOU

FL150020 St Georges Domestic Service in English 2300 GMT 14 Feb 83

[Text] By all reports, last week's discussions in Carriacou between the People's Revolutionary Government [PRG] and representatives of the International Foundation for Development Alternatives were successful. This assessment is shared by RFG [Radio Free Grenada] reporter [words indistinct] to Carriacou to cover the conference.

[Begin recording by unidentified reporter] The conference was held primarily to exchange ideas around the question of development and it took the form of presentations by members of the PRG on the specific areas that they coordinate during which questions and (?conditions) were exchanged around the different topics.

Prime Minister Bishop, in his capacity as leader of the revolution, gave an overview of the history of Grenada concentrating on the historical conditions existing prior to the March 13th revolution as far back as 1951, the time that Eric Gairy made his political appearance. Prime Minister Bishop also (?cited) efforts made since the revolution to institutionalize (?patriotic) democracy in the country and lengthen the upcoming national debate on the budget as concrete examples.

He spoke of problems facing the revolution, problems [words indistinct] for further development and the lack of managerial resources, meaning persons able to manage the different projects of the revolution.

The afternoon session of the fourth day of the conference saw Agricultural Minister George Louison begin his delivery on agriculture in which he touched on the terrible situation that the PRG had found the agricultural sector in when it came into office in 1979 and [words indistinct], outlining what has been done since then to have the problems rectified. [end recording]

Other members of the PRG who spoke at the conference were Foreign Minister Unison Whiteman, Minister of Tourism and Civil Aviation Lyden Ramdhanny, Minister of [passage indistinct].

CSO: 3298/1209

## BRIEFS

PRG, GDR COOPERATION--The Ministry of Agriculture will receive five tractors and 25 agricultural plows from the GDR, East Germany, by the end of the month. The equipment, valued at some \$600,000, comes as a result [of] agreements negotiated with Prime Minister Naurice Bishop visited the GDR in June last year. A \$6 million line of credit was negotiated during that trip and the equipment is being provided under this agreement. The tractors and plows will be used in the farm machinery pool being established by the Ministry of Agriculture. Only yesterday it was announced that the Ministry of Trade had signed an agreement with a company in East Germany for the delivery of 75 vehicles to Grenada valued at just over \$1.5 million. The shipment will include vehicles for the Ministries of Agriculture, Construction and [words indistinct] [Text] [FL172335 St Georges Domestic Service in English 2300 GMT 17 Feb 83]

BISHOP'S GOOD HEALTH ASSURED--The Ministry of Foreign Affairs today dispatched a message to Paramaribo assuring the government of Suriname that Prime Minister Bishop is in good health and continues to lead the Grenada revolution. The message also assured the Surinamese Government that national projects and programs are being fulfilled by the working people according to plans and in many cases are well ahead of schedule. The message to Paramaribo was in response to inquiries made by the government there, following the circulation of rumors about Prime Minister Bishop's state of health. The ministry's message pointed out that it was not the policy of the People's Revolutionary Government to respond to ugly rumor since it is widely known that rumor-mongering is part of imperialism's full time strategies and one of the tactics of propaganda destabilization. [Text] [FL172355 St Georges Service in English 2300 GMT 17 Feb 83]

BANANA INDUSTRY--St Georges, Grenada, 4 Feb (CANA)--The important banana industry here had one of its worst years in 1982, according to the general manager of the Grenada Banana Co-operative Society (GBCS), Anthony Isaac. Mr Isaac told CANA that during last year banana exports from Grenada continued to decline, with shipments to Britain totalling 9,835 tonnes compared with 11,201 tones in 1981. He said production declined despite the fact that the average price paid to the GBCS in 1982 for bananas was 40.5 E.C. cents, which is above the 37.3 E.C. cents received in the previous year. [Text] [FL050100 Bridgetown CANA in English 1833 GMT 4 Feb 83]

DECLINE IN TOURISM--Bridgetown, Barbados, 4 Feb (CANA)--Grenada has recorded a 9.1 percent decline in visitor arrivals for 1982, according to the Barbados-based Caribbean Tourism Research and Development Centre (CTRC). CTRC said that during the period January to December some 22,788 visitors went to Grenada compared with 25,072 for 1981. It said that tourism earnings for 1982 totalled 39.6 million dollars (one east Caribbean dollar ; 37 cents U.S.), a 15.3 percent fall on the 46.7 million dollars for 1981. [Excerpt] [FL050100 Bridgetown CANA in English 2150 GMT 4 Feb 83]

LIAT SUBSIDIARY CLOSING--St Georges, Grenada, 17 Feb (CANA)--The Technical and Allied Workers Union (TAWU) in Grenada has ordered local employees of the Antigua-based Caribbean airline Liat not to handle the business of its subsidiary, Inter-Island Air Services (IAS), which has announced it is closing its offices here. IAS, which has been operating in Grenada for the past 10 years, said it was closing the office for economic reasons and because of other problems encountered with service. [Excerpt] [FL172305 Bridgetown CANA in English 2207 GMT 17 Feb 83]

TRADITIONAL EXPORTS DOWN--St Georges, Grenada, 14 Feb (CANA)--The People's Revolutionary Government (PRG) said today it had reduced by 25 percent Grenada's dependence on exports of nutmegs, bananas and cocoa for its foreign exchange since taking office in 1979. Deputy Prime Minister Bernard Coard told reporters preliminary figures showed traditional exports had accounted for 69 percent of Grenada's foreign exchange earnings in 1982, compared with 94 percent in 1978. Coard, who is also minister of finance, said that by the end of 1979 non-traditional exports such as furniture, garments, fruits and vegetables accounted for 12 percent of Grenada's foreign exchange earnings. [Excerpt] [FL150140 Bridgetown CANA in English 2054 GMT 14 Feb 83]

IMPORTS DECLINE--St Georges, Grenada, 14 Feb (CANA)--Grenada's deputy prime minister, Bernard Coard, said today that there had been a steady trimming of the island's import bill in nearly four years his People's Revolutionary Government [PRG] has been in power. Coard, who is also Grenada's finance minister, told reporters that purchases of food now accounted for about 28 percent of the total import bill, compared with up to 40 percent under deposed prime minister, Eric Gairy. Quoting government statistics, he said the board had been able to move from a purchase of 600 pounds of farmers' produce in 1981 to well over one million pounds last year. The Grenada finance minister also reported that exports of local agricultural produce to CARICOM and Britain had increased by over 220 percent between 1981 and last year. [Text] [FL150140 Bridgetown CANA in English 2107 GMT 14 Feb 83]

CSO: 3298/1209

## COMPARATIVE STUDY ON INFLATION, PURCHASING POWER

Guatemala PRENSA LIBRE in Spanish 23 Jan 83 p 2

[Article by Javier Hernandez O.]

[Text] The domestic purchasing power of the quetzal fell to 36 cents during 1982, according to a study made by the Economic and Social Research Institute of San Carlos University.

The analysis makes a comparison between the inflationary behavior of the domestic economy and its influence on the purchasing power of the population.

The study begins by commenting that the relative freedom of the Guatemalan economy and the rigidity of the exchange rate has brought a rage of inflation similar to that throughout the world and at the same time a relatively rapid adjustment in money supply.

This internal adjustment in the money supply is apparent in both real and nominal terms. Thus the phenomenon can be considered, up to a certain point, independent of the decisions of the monetary authorities, at least in the medium and long term.

## Inflationary Indicators

The first observation in this respect is that the cost of living in Guatemala has doubled between 1972 and 1981, going from 100.0 to 270.6 percent. This results from an average inflation rate during this period of close to 12 percent annually, above the critical 10 percent figure, with fluctuations of between 8 percent in 1978 and 16 percent in 1974.

The analysts of San Carlos University's IIES say that according to their observations, the trend appeared to slow down in the second half of 1982 because the consumer price index (CPI) rose only to 274.8 percent, in September, indicating a moderate increase of about 1 percent in the price of goods during that month.

This rate--which was not yet fully verified when the study was published--the conclusion was reached that the consumer price index was probably under 277 percent by the end of December, 1982, based on the figures for the pre-inflation year of 1972.

## Impact on the Quetzal

In dealing with the impact of the wave of inflation on the economy as well as its impact on the monetary system, the analysts begin with two firm observations:

Because of the escalation in the prices of goods and services (merchandise) essential to the population, the domestic purchasing power of the quetzal has deteriorated, falling from 100 cents in 1972 to 37 cents in 1981.

In line with this trend the domestic purchasing power of the quetzal fell to 36.4 cents in September, 1982, and in December of last year it fell to 36.1 cents. This is a loss of almost two-thirds of the purchasing power of the quetzal since 1972.

All of this signifies a highly negative impact on the real--minimum--wage, which doubled for urban workers in private enterprise, increasing from 1.57 quetzals per day in 1972 to 3.51 quetzals per day in 1982; however, because of the inflationary process and its negative monetary impact, the increase was nullified.

Regarding this point, the analysis warn that there was a decrease in wages in terms of buying power from 1.57 quetzals daily in 1972 to 1.28 quetzals daily in 1982. Consequently, the standard of living of the urban wage earner has deteriorated despite wage increases, representing a loss of 18.5 percent in buying power in comparison to 1972.

In their study the researchers of San Carlos University's IIES estimate that considering the indexes of real wages it is evident that the purchasing power of the active urban population deteriorated rapidly between 1972 and 1979, falling by 46 percent, and despite the adjustment of May, 1980, it did not regain the level of the 1972 base year, thus reflecting the rapid drop in real or actual wages, measured in constant, base year quetzals.

9015

CSO: 3248/478

## FUR LEADER OPPOSES DISSOLUTION OF POLITICAL PARTIES

Guatemala EL IMPARCIAL in Spanish 20 Jan 83 p 1

[Interview with Cesar Augusto Toledo Penate, member of the Council of State and secretary of international affairs of the FUR, by Carlos Augusto Monroy Morales; date and place not specified]

[Text] "If the United Revolutionary Front [FUR] is dissolved, members of the group are ready to give legal battle to defend the existence of all political parties and will make use of all available resources."

This was told by Cesar Augusto Toledo Penate, member of the Council of State and secretary of international affairs of the FUR to EL IMPARCIAL today. He emphasized that if that happened, the two FUR members of the Council of State would submit their resignations.

He added that the dissolution of the political parties would be an arbitrary and unlawful act because political parties can only be outlawed on legal grounds or when they dissolve themselves in accordance with their own by-laws; once dissolved they apply for cancellation of their status with the proper authorities.

"The dissolution of one or more parties would not be good for either the government, the citizens, or the parties themselves, even though they may have different ideologies," Toledo Penate added.

He said the FUR did not agree with the threatened banning of the National Liberation Movement, but in such event, it would fight for the existence of the MLN. If this "highhanded act is carried out, it will open the way for an autocratic and even antidemocratic government."

There is no justification for this here at the end of the 20th Century, when the play of ideas and opinions that forms part of the dialogue is the best route to understanding. The FUR rejects force, not because it is a negative element but because force should not be mixed with the law, Toledo Penate added.

During the interview with EL IMPARCIAL he responded to the following questions:

[Question] Do you think the country should return to constitutional rule immediately?

[Answer] The de facto situation we are now in brings serious consequences with it, not only in the judicial, economic, and political areas, but also in the domestic and foreign policy areas. Therefore, it is essential to return to constitutional rule so that the people can freely choose their authorities. This is the time when a legitimately constituted government could negotiate peace.

[Question] What significance does a political party have for you?

[Answer] It is a legal entity, an organization of a permanent nature, endowed with a specific ideology and a political platform that is workable.

[Question] What are its foundations?

[Answer] It is very important to point out that three basic elements go into the making of a party:

First: Its permanent character--it would be absurd to form an organization just for a given election or for a certain time.

Second: Ideology, that is, clear ideas about fundamental institutions, for instance, property, the form of government, legislation, government intervention, natural resources that require priorities, etc.

Third: In modern democracies political parties are well established in society, have been given a place in the constitution, and are regulated by law.

[Question] What is the function of political parties?

[Answer] These public organizations are in charge of uniting and gathering together various currents of opinion and channeling them by means of their activities so that the citizens can pronounce their decisions at the polls and elect those who will govern.

[Question] Does this mean that such legal entities are associations?

[Answer] Yes. I have given you a quick, doctrinaire, and legal analysis, and we have found that parties are true associations, with the character of public institutions. This is what is understood from Article 20 of the electoral law and from political parties, that have recently been abolished and from Article 15 of the Civil Code, Cesar August. Toledo Penate, FUR leader, concluded.

9015

CSO: 3248/478

## GOVERNMENT STATEMENT ON SANCTIONS AGAINST ISRAEL

FL161501 Bridgetown CANA in English 1436 GMT 16 Feb 83

[Text] Georgetown, Guyana, Feb 16, (CANA)--Guyana made an indirect appeal for sanctions against Israel during Monday's meeting of the United Nations Security Council on Israeli settlement of occupied Arab territory, a government statement said here today.

Guyanese ambassador Mr Noel Sinclair said there was "need for effective action in accordance with the principles of the United Nations Charter to compel Israel to evacuate Arab territory," the statement said.

"It is high time that the Security Council be allowed out of the paralysis imposed on it and become responsive to the crisis in the Middle East," he said.

The statement said Mr Sinclair accused Israel of fencing in the Palestinians like animals in a corral and alleged that genocide was going on in the Middle East.

"The policy of the Zionists towards the occupied territories is clearly one of creeping annexation," the ambassador said.

The Security Council spent two hours on Monday discussing the situation at the request of Jordan, acting for the 22 nation UN Arab group, the statement said.

CSO: 3298/1210

## BRIEFS

N. KOREAN ARMS RECEIVED--Georgetown, 7 Feb (AFP)--The Guyanese opposition weekly OPEN WORD [given in English] reported today in its Monday edition that Guyana has imported 6,000 tons of North Korean weapons and ammunitions. The magazine added that the weapons, which arrived on 2 February by sea, are currently being unloaded at night, under heavy security, at Linden Port, 104 km south of Georgetown. According to OPEN WORD, the workers in this bauxite-producing region are afraid that the weapons were traded for a bauxite shipment that left Guyana 3 months ago. [Text] [PA080436 Paris AFP in Spanish 0331 GMT 8 Feb 83]

NEW TRADE OFFICES OPENED--The bauxite industry development company has established a new subsidiary in Florida in the United States. A Guymine [Guyana Mining Enterprise Limited] news report said the company, Guytrade Incorporated, has been set up to undertake the responsibilities of trading and purchasing for Guymine. Guytrade will purchase the major portion of high-volume low-value items which come from the United States for Guymine. [Excerpt] [Georgetown Guyana Domestic Service in Spanish 1000 GMT 27 Jan 83]

CSO: 3298/1210

## CAUTION ON POSSIBLE OBSERVER STATUS IN NAM

San Pedro Sula LA PRENSA in Spanish 19 Jan 83 p 7

[Editorial: "On Nonalignment"]

[Text] Immediately after the closing of the recently held meeting of the Bureau of Nonaligned Nations Movement [NAM] held in Managua, Nicaragua, the Central American Workers Confederation [CCT], which follows the Social Christian line, published a document in which it stresses that "nonalignment means the continuous and active determination to preserve one's independence, without allowing oneself to be aligned in the ideologies, strategies, hegemonious policies or imperialistic interests of either of the two great powers (USSR-USA) or the other industrial powers."

The statement of the CCT is of great current significance, because it is obvious to any observer--even to the least shrewd--that there are nations, and Cuba is the most dramatic example, which appear on the list of non-aligned nations, and hold leadership positions within the movement and which without any doubt are not only identified with but are totally subjected to the expansionist and totalitarian policy of the USSR.

The CCT declaration says, "There are the cases such as that of Grenada where the CLAT [Latin American Workers Federation] labor leaders, along with other democratic leaders, are held in prison without trial for the crime of struggling for freedom and justice; that of Suriname, where the commanders persecute everyone who does not profess the new Marxist-Leninist religion. They all should be as vigorously rejected as governments like those of Chile, Argentina and Uruguay which are based on a national security doctrine, by anyone who is committed to achieving international order based on justice, solidarity, peace and the welfare of the people."

It is no secret to anyone that Grenada, Suriname and Nicaragua follow the strategy of Cuba and the USSR and that their stand of violent rejection of the United States is only comparable to their servility toward Moscow.

Now there is talk of the possibility that Honduras may participate as an observer at the NAM assembly which will be held in New Delhi, India (which has been given the presidency of the organization at the end of Cuba's term of office). We should clearly understand that within that body there are

truly independent nations such as Yugoslavia and Egypt and countries of growing autonomy such as Argentina and Brazil but that there are also bold-faced Soviet satellites such as Cuba and Vietnam.

It is worthwhile to seek closer relations with this forum in order to make our presence felt on the international scene. But we must realize clearly what its structure is and what its limitations are. Otherwise, we might let ourselves be deceived and in the long run face another and regrettable frustration.

9204

CSO: 3248/472

## BRIEFS

INA LAND DISTRIBUTION PLANS--Tegucigalpa--The most important decision reached at the meeting held yesterday by the highest officials of the National Agrarian Institute (INA) was that 40,800 hectares of land are to be turned over to the peasants in 1983 by INA and a similar goal is to be met during the next 3 years. Personnel of the Technical Secretariat of the Supreme Economic Planning Council has participated in the establishment of these goals. Their data indicates that at the present time there is a real demand for 79,248 hectares requested by 507 groups made up of 12,328 peasants living in various localities in the country. Elmer Maradiaga Ruiz, head of the Land Distribution Division, said at the meeting that once the 1983 goal of 40,800 hectares is reached, 52 percent of the real demand made by peasants belonging to the farm workers organization and independent groups will have been met. Since at the present time the greatest peasant pressure is in the Western region, INA will begin at once to take action in that sector which consists of the departments of Lempira, Santa Barbara, Copan and Ocotepeque, in the valleys of Sensenti, Quimistan and La Entrada where there is land which can be turned over to the peasants. [Excerpt] [San Pedro Sula LA PRENSA in Spanish 12 Jan 83 p 2] 9204

LAND OCCUPATION PLANS DENOUNCED--Tegucigalpa--Yesterday the agrarian authorities denounced the plans of the various peasant organizations, aimed at causing trouble for Honduran agriculture through the traditional practice of occupying lands. According to reports, the groups which are members of the Honduran Peasant Unity Front [UNACAMH], are preparing massive occupations almost everywhere in the country to take place during February and March 1983. According to the arguments given by the peasant leaders, these actions against the National Agrarian Institute (INA), are justified by the enormous need for land, especially at this time of the year, when spring is approaching. The agrarian authorities consider this new and unexpected attitude of the peasants to be unjustified since it does not take into account the announcement made some days ago by Ubodoro Arriaga Iraheta, director of INA, who said that the plan is to turn over to the farm workers more than 50,000 hectares of land during 1983 which is twice as much land as was distributed during 1982. [Text] [San Pedro Sula LA PRENSA in Spanish 18 Jan 83 p 4] 9204

CSO: 3248/472

## CANADIAN OFFICE DETAILS COOPERATION WITH COUNTRY

FL041443 Kingston DAILY GLEANER in English 1 Feb 83 p 6

[Text] The following statement by the Canadian Government is based on information provided by the Canadian High Commission in Kingston.

Jamaica is a country of concentration for Canadian bilateral assistance. In the past Canada's Development Assistance Programme to Jamaica as provided by the Canadian International Development Agency (CIDA) was concentrated on agriculture, manufacturing, transportation, technical and vocational education and management training. Annual disbursements averaged about CDN \$3.5 million. During the last few years, one of Jamaica's most critical problems has been the severe shortage of essential commodities and capital goods required to maintain productivity in the agricultural and manufacturing sectors.

CIDA responded to these shortages by providing capital goods and commodities under development and commodity lines of credit. In addition, CIDA provided foodstuffs to Jamaica to alleviate shortages. CIDA assistance since 1976 has included the following:

--CND \$35 million (&J\$45.5 m) in loan and grant disbursements for foodstuffs.

--A CDN \$10 million (&J13 m) development line of credit for bridge components, agricultural equipment and tools, and hospital equipment, of which nearly all has been disbursed.

--A CDN \$10 million (J13 m) agricultural line of credit for fertilizer, veterinary drugs and equipment, and trucks and spare parts, which will be fully disbursed by May of 1983.

A major CIDA planning mission to Jamaica in March, 1981, proposed concentrating development programming to Jamaica over the next three years on the following elements: export-oriented production of crops and goods; savings in foreign exchange through support for the production of crops and goods for domestic markets which have import-substitution benefits; increased use of existing capacity in the productive sectors, particularly in agriculture; promotion of private sector investments and production; and improvement of the economic and fiscal capability of the public sector.

## Bilateral Assistance

Current projects include:

### Technical Teacher Training

Development of a technical teacher training department at the College of Arts, Science and Technology. A total of CDN \$1,275,000 (J\$1,657,000) has been disbursed since the project was approved in 1972.

Agricultural line of credit--CDN \$10 million (J\$13 m)

Signed in August, 1981, this line of credit is providing veterinary drugs and equipment, fertilizer, and trucks and spare parts.

Technical Assistance--Ministry of Construction (Works)

Support for the Ministry of Construction (Works) through the provision of technical assistance co-operants in various engineering and survey disciplines. Currently three survey and bridge engineers are on assignment in Jamaica. A total of CDN \$962,300 (J\$1,250,990) has been disbursed since the project was approved in 1971.

Development line of credit--CDN \$10 million (J\$13 m)

Approved in October, 1976, this line of credit has provided various capital goods and services, including bridge materials, seed potatoes, hurricane relief and hospital equipment for the Cornwall Regional Hospital.

Fertilizer line of credit--CDN \$2.0 million (J\$2.6 m)

Recently approved in December, 1982, this line of credit will provide fertilizer materials which will be imported by the Jamaica Commodity Trading Company to meet the needs of the agricultural sector. A further phase of this fertilizer line of credit is currently being finalized in Canada which will involve provision of considerable additional fertilizer materials to Jamaica over the next several years.

## Multilateral Assistance

Mission Administered Funds (MAF) CDN \$350,000 (J\$455,000)

This annual discretionary fund for small projects is administered through the Canadian High Commission in Kingston. The projects, usually initiated by community groups and voluntary organizations, provides economic, technical or social development assistance aimed at skill training and employed incentives.

CIDA funds are also channeled to Jamaica through agencies of the Caribbean Development Bank, the United Nations, the Inter-American Development Bank, the World Bank and other financial institutions.

#### Assistance from CIDA's Special Programme Branch

The assistance channels of the special programmes branch involve direct participation of Canadians in efforts to promote self-reliance and meet basic human needs in developing countries.

#### Non-Governmental Organization Division (NGO)

Non-governmental or private community type organizations engage in a large number of projects in Jamaica each year. These organizations, to which CIDA contributes funding support towards projects in Jamaica, include CUSO, CANSAVE, CESO, UNICEF, Institute of Cultural Affairs, the Salvation Army and the YMCA. Annual disbursements have grown for this programme to approximately CDN \$10 million each year.

#### Institutional Co-Operation and Development Services Division (ICDS)

The ICDS Division of CIDA has also been active with a number of visits to Jamaica by Canadians from various universities and colleges in Canada. The Canadian Teachers Federation has provided a number of volunteer teachers during the summer to conduct workshops and seminars with the Jamaican educators.

#### Industrial Co-Operation Division

Under CIDA's Industrial Co-Operation Programme, CDN \$247,000 (J\$321,100) has been allocated to a Canadian firm, CEDSI, Inc. (Canadian Energy Development Systems International), to co-laborate with the Jamaican Ministry of Mining and Energy to plan the development of small scale hydroelectric units for rural communities. This project will also contribute to the establishment of a programme of energy self-sufficiency and energy development for agricultural production and rural development of Jamaica.

CSO: 3298/1211

## GOVERNMENT AGENCY REPORTS ACHIEVEMENTS

FL071605 Bridgetown CANA in English 2101 GMT 6 Feb 83

[Text] Kingston, Jamaica, 6 Feb (CANA)--It hasn't seen a second birthday yet, but the state-run Jamaica National Investment Promotion Limited (JNIP) says it has paved the way for Jamaicans to take up nearly 14,000 jobs.

"By the end of December 1982 the JNIP had brought 116 new projects into production, representing a total capital investment of 243.3 million dollars (one JCA dollar; 56 cents U.S.)," the company reported. "They will employ, when at full production, over 13,500 persons."

Fifty-eight of the projects are in manufacturing and 38 in agriculture, according to Mrs Corrine McLarty, the JNIP's managing director. Other beneficiaries include tourism, housing and construction and small business. Sixty-four are Jamaica enterprises, 20 joint ventures, and 32 wholly owned overseas enterprises.

The JNIP was established by the Edward Seaga government in September, 1981, with eight staff members. It now has 60 research and promotion officers who provide data to potential investors and personal guidance through essential contacts with the "right" people.

It has 38 projects amounting to an additional 73,406 million Jamaica dollars in a finalised state and various stages of implementation, JNIP officials have reported.

"It has been like building a bicycle while riding it" says Mrs McLarty of the fledgling organisation which has fast become the main force behind the investment promotion drive in Jamaica.

The JNIP evaluates investment proposals on the basis of foreign exchange earning capacity, rapid employment potential, use of Jamaican raw material and joint venture composition.

The JNIP reflects the turn in Jamaica's economic policy from import substitution to one of export orientation.

Citing the relevance of foreign investment to the economic development strategy Mrs McLarty pointed out that the transfer of appropriate technology skills could, in the long run, make the difference between a truly vibrant and independent economy and one that was a client economy.

For example, one joint venture employing Israeli technology has 1,000 acres of winter vegetables in production, exclusively for the export market.

Mrs McLarty noted that this project is "a foreign exchange earner, labour-intensive and demonstrates that Jamaican workers can quickly learn new skills and perform at a very high level. The investor is very satisfied.

"The market for winter vegetables is virtually untapped," she continues, with enormous scope for such produce as squash, cantaloupe, honeydew melons, eggplants, tomatoes and peppers for which we already have [a] reputation for excellence."

Mrs. McLarty said she was particularly pleased at the number of agribusiness investments which have moved into production, especially non-traditional products such as shrimp farming for which Jamaica is well suited with warm climate and ample unpolluted fresh water.

There is a fully integrated livestock project combining animal feed and a feed lot, and a poultry farming venture which will supply a major portion of Jamaica's requirements in hatching eggs and save the country 1.2 million Jamaica dollars in foreign exchange annually.

Another promising investment area was said to be ornamental horticulture for export.

"Jamaica's climate, varying altitude and proximity to the lucrative North American markets where there is a constant demand for flowers and foliage throughout the year, makes ornamental horticulture a very attractive investment area," Mrs McLarty explains.

Jamaica's coffee, noted for its smooth taste and pure quality has attracted increased investment and the Jamaican Government along with Japanese businessmen are involved in a joint venture to give a major boost to this industry. "As with all investments, things did not just happen overnight," says the JNIP head.

In September 1982, Mrs McLarty and the JNIP Agribusiness Co-ordinator Hugh Shaw, took part in a trade, investment and fact-finding mission to the Far East, geared towards expanding Jamaica's economy in that area.

The tour was characterised by meetings with influential public and private sector officials, and according to the JNIP managing director, "set the stage for vitally important follow-up work."

On the JNIP programme for 1983, Mrs McLarty said: "The JNIP has a vigorous on-going marketing programme in the United States, but this year we will target more programmes to the Far East and Europe."

High on the list of priorities for 1983 is the implementation of a business plan for a shelter programme for the electronics industry.

CSO: 3298/1211

## PNP ACCEPTS QUEEN'S VISIT BUT SEEKS REPUBLIC

FL111645 Bridgetown CANA in English 1625 GMT 11 Feb 83

[Text] Kingston, Jamaica, 11 Feb (CANA)- -The Opposition People's National Party (PNP) here today re-affirmed its commitment to seeing Jamaica become a republic, but said it would nonetheless participate in functions for Queen Elizabeth during her visit here next week.

The British monarch is also head of state for Jamaica and is represented here by a governor general.

"...Out of respect for her majesty, Queen Elizabeth, head of the Commonwealth, head of state of Great Britain and a distinguished figure in her own right, the People's National Party, as the official opposition, will be participating in all functions to which its members are invited to do with the visit of her majesty..." a PNP statement said.

The Queen is to arrive here on Sunday and will be in Jamaica until next Wednesday.

A select house committee here is looking at constitutiona reform in Jamaica and the question of establishing a republican government is one of the issues before it.

The PNP said that it was pressing for the abolition of the monarchy and for the island to become a republic within the Commonwealth.

CSO: 3298/1211

## SEAGA STRESSES NEED FOR AID, TRADE, INVESTMENT

FL211450 Bridgetown CANA in English 0031 GMT 21 Feb 83

[By Guy Ellis]

[Excerpts] Castries, St Lucia, 20 Feb (CANA)--A two-day summit meeting between Canadian and Commonwealth Caribbean heads of states got underway here today with Canada describing itself as "a friend for all seasons" and proposing to double its development aid to the region, while Caribbean Community (CARICOM) leaders stressed the need for help to strengthen their economies. [passage omitted]

Jamaica's Prime Minister Edward Seagan, one of three Caribbean leaders to speak at the opening, referred to "a definite need in the CARICOM countries for a comprehensive program of aid, trade and investment to guarantee socio-economic stability in the region and to ensure the development of the area and of each individual country."

Seaga said the region was pleased with Canada's decision to double its aid to the region over the next five years, but felt that trade and investment could be increased substantially. He said: Canadian investment is at present restricted principally to financial institutions (banking and insurance) transportation and mining. The main job-creation sectors, industry and agriculture, have been omitted.

Yet, Seaga noted, Canada was an importer of a wide assortment of agricultural and industrial products. He declared: Canada has the marketplace and technology but lacks the products. We have the idle lands and willing hands, but lack the technology.

There was a whole new spectrum for cooperation which could begin a new era of Canada-CARICOM relationship in such areas as the production of flowers, vegetables, fruits, fishing and fishing processing and light manufacturing, Seaga suggested.

The Jamaican leader added: "In short, we are seeking practical initiatives that will improve the capability of both private and public sectors of CARICOM countries to manage their own development."

He said that increased trade and investment, and increased development assistance would also in the long run, ensure for Canada a market with tremendous potential for its own products and for CARICOM, an expanded market for regional products.

Seaga called for a serious look to be taken at the question of security in the region. He saw the need to seek early and peaceful solutions to controversies which threatened the interests and integrity of CARICOM states and he lamented "the profound disregard with which some states treat human rights."

Prime Minister John Compton of St Lucia, who delivered the welcome remarks, also pleaded along the lines of his Jamaican counterpart.

He said: "The Caribbean peoples fervently believe that with aid for infrastructural development and with market opportunities, they can, by their own efforts, remove themselves from the bondage of poverty, underdevelopment and dependency which for too long has been their said and unreserved lot."

Canadian assistance, both technical and financial, Compton said, could help the Caribbean achieve its goal and self-sufficiency. In its endeavours to transform and modernise its economies, Compton told Trudeau, the Caribbean needed trade and investment in order to mobilise the few resources it possessed and to permit it to take advantage of the opportunities available under a free trade regime, of its geographical proximity to and historical and trading links with North America. Canada, which for decades had permitted free trade with the regions, could best assist the region by continuing to hold the line against protectionism which is threatening world trade and "the small but important advances made by us, through our nascent process of industrialisation.

The Caribbean position during the talks is expected to be represented in a paper prepared by the Antigua-Barbuda delegation, which has been adopted by both the Organisation of Eastern Caribbean States (OECS) and wider CARICOM groupings, as the official regional position.

The paper contains a number of recommendations on Canada-CARICOM political relations, trade, tourism, air transport, investment, development activities regional integration, and economic matters.

It maintains that the Barbados-based Caribbean Development Bank should continue to be the main regional instrument for the mobilisation of funds for Caribbean development and suggests that Canada be asked to support current efforts to channel more money into the region's private sector through the CDB.

The document which, according to conference sources, was highly acclaimed by the other participating Caribbean countries, also urged Canada to encourage the United States to resume contributions to the CDB, especially to the Unified Special Development Fund and to encourage member countries of

the Organisation for Economic Cooperation in Development (OECD), including Japan, to contribute to the CDBS special development fund.

It urged the meeting to devote special attention to the elimination of Canadian non-tariff barriers on rum imports from the region.

CSO: 3298/1211

## JAMAICA'S SEAGA MEETS WITH TRINIDADIAN LEADER

FL211719 Bridgetown CANA in English 1650 GMT 21 Feb 83

[By Ernie Seon]

[Excerpts] Castries, St Lucia, 21 Feb (CANA)--Jamaica's Prime Minister Edward Seaga has informed Trinidad and Tobago that there may be new areas of trade between the two territories, which would correct the trade imbalance created by Jamaica's recent introduction of a two-tiered currency exchange system.

Mr Seaga made this announcement at a meeting with a Trinidad and Tobago delegation headed by Prime Minister George Chambers, yesterday.

The two parties met for discussions on last month's decision by the Jamaica Government to formalise the parallel money market by introducing a two-tiered currency exchange rate. Both prime ministers and several other Caribbean leaders arrived here last weekend for informal talks with Canadian Prime Minister Pierre Trudeau.

The Jamaica Government has explained that the decision on the currency system was taken to allow all available foreign exchange in the country to flow into the commercial banks.

When the two leaders met yesterday, they referred the matter to their officials who are scheduled to continue talks today.

Trinidad and Tobago's Minister for Labour Errol Mahabir, told CANA Mr Seaga informed the delegation that Jamaica expected more trade in essential items.

"He said Jamaica expected more trade in items which are deemed essential by the government, for example steel, fertilisers and petro-chemicals--these are all being explored," Mr Mahabir stated.

He added: "We took no firm decision on the matter then as we thought it necessary for our officials to consider the details of any arrangement that can be worked out."

Trinidad's Foreign Minister Bazil Ince, said that Trinidad remained concerned over Jamaica's action, but had not taken any counter-measures as it wished to discuss the issue first with Jamaica.

"At yesterday's meeting, Jamaica explained reasons which led to the introduction of the system, and while we appreciate their position, we also wanted them to appreciate the impact it will have on inter-regional trade," Ince said.

Asked whether the islands planned to discuss the matter on a collective level, Ince said that as far as he knew no such effort had been made.

"This is a matter which suited the national interest of Jamaica and as far as I know there has been no effort on the part of CARICOM states to come together to discuss the matter," Ince said.

The foreign minister, however, stated that Prime Minister Seaga had been in contact with individual countries, seeking to clarify reasons for Jamaica's decision.

"In doing this, we expect that each territory will be taking its own national interest into consideration," Ince said. [passage omitted]

Prime Minister Seaga is expected to continue meetings with the individual territories today.

CSO: 3298/1211

## BRIEFS

NEW REGIONAL EXPORTS COMPANY--Kingston, Jamaica, 8 Feb (CANA)--Neal and Massy, the Commonwealth Caribbean's largest conglomerate, has established a new company to promote and expand regional exports to the rest of the world, group chairman Sydney Knox, has announced. "Neal and Massy realises that exports are vital to CARICOM countries, and with the management expertise of the group and its presence throughout the Caribbean as well as the U.S., there is a very real role for the group to play as a responsible corporate citizen," Mr Knox said in a statement released here and in Port of Spain where the conglomerate is headquartered. "The new company, Neal and Massy Caribbean Limited, will also be headquartered in Port of Spain, it has an authorized share capital of TT 10 million dollars (one TT dollar ; 41 cents U.S.)." [Text] [FL081930 Bridgetown CANA in English 1710 GMT 8 Feb 83]

CSO: 3298/1211

## SECOFIN MINISTER: NO CHANGE IN FOREIGN INVESTMENT LAW

Mexico UNOMASUNO in Spanish 11 Jan 83 pp 1, 10

[Excerpt] The secretary of commerce and industrial development, Hector Hernandez Cervantes, gave assurances yesterday in Puerto Vallarta that stimulation of foreign investment would be done within the current framework of the Foreign Investment Law, he said that the percentage of foreign capital in Mexican enterprises would not be increased. There--where the representatives of the most powerful multinational businesses companies are meeting--Orville Freeman, director of Business International, requested the liberalization of that law and the removal of such measures as the exchange controls that obstruct these investments. He also pointed out that the Mexican cabinet members attending the meeting had offered "to avoid making the errors of the past again."

Here in Mexico City, the announcement made by the secretaries of finance, commerce, planning, and the budget resulted in varying reactions. Representatives of the political parties felt that greater foreign investment was unnecessary or simply requested that the law be strictly enforced. It's a necessary evil, they said. Representatives of business--although some had reservations--supported the measure and stated they would adhere to the pact with the government.

PRI [Institutional Revolutionary Party] Deputy Genaro Borrego Estrada, president of the Resource and Industrial Development Congressional Committee, gave assurances that the Chamber of Deputies would make certain that national objectives concerning the effectiveness of the measures would be met.

Nevertheless, he commented that the problem of foreign investors does not lie in the percentages of their participation in business enterprises "but in the areas they are active in."

Hernandez Cervantes explained that additional selective participation is provided for in the Foreign Investment Law, and now there is an effort to commit foreign businessmen "not only in the acquisition of the 49 percent of Mexican businesses, but in fostering higher productivity, savings, and the export of manufactured goods."

The secretary of commerce also made reference to the fact that foreign investment could be multiplied in areas where it has not participated, with the

exception of those considered strategic. The idea is, he added, to open up fields for financial participation that will guarantee production and employment to Mexico.

This official, who participates in the economic analysis congress that includes the principal business leaders of the world, insisted that the stimulation of foreign capital was part of the solution to the crisis, because the authorities now realize that such capital plays a key role.

He stressed that the facilities provided for in the law will be furnished, and said it was not necessary to make it more flexible or to broaden the percentage of foreign participation in Mexican companies.

Hernandez Cervantes said that among the inducements the government of President Miguel de la Madrid could offer such investors at present was the under-evaluation of the peso, which ensures profits to any type of capital.

9015

CSO: 3248/486

## U.S. BUSINESSMEN'S SUGGESTIONS REJECTED

Mexico City EL DIA in Spanish 12 Jan 83 p 5

[Editorial: "The Foreign Offensive"]

[Text] A group of American businessmen meeting in Puerto Vallarta have tried to dictate the direction of Mexican economic policy, particularly with regard to foreign investments. They have especially stressed that "the rules for foreign investments should be made more liberal and more flexible."

These businessmen also said that the return of foreign investments to Mexico would depend on future economic policy and they stated, "all economic organizations throughout the world are closely following what happens in this country because Mexico is recognized as a strong nation with excellent natural resources and an abundant supply of labor; if it can reorganize its economy, there will be many investment opportunities."

These statements are, of course, part and parcel of a traditional attitude in some American business circles which, after establishing subsidiaries of transnational companies in Mexico, try to lobby for permissive legislation that will help them extract profits from our country. In this case, however, it is useful to note not only the predatory and abusive attitude of the businessmen, who are eager to seize Mexico's resources, but also the specific content of the words of these business spokesmen.

In order to put these statements in their specific context, it is necessary to refer to the multinational companies' plans concerning the underdeveloped countries. In recent years, and especially this last year, the U.S. economy has been hit hard by the economic crisis and unemployment levels have reached alarming levels. The deterioration of U.S. leadership in economic matters has had much to do with this phenomenon. In order to reestablish its leadership and revive its economy, big capital in the U.S. and in other highly industrialized countries is engaged in carrying out a new international division of those activities that will mean continuing exploitation of the resources of the underdeveloped countries; it will be based, however, on a new strategy since the strategy that has been used for the past 30 years has resulted in an economic crisis of major proportions.

Under this plan they will try to induce the less developed countries to specialize in the production of one raw material that will be useful to the highly industrialized countries. A second element of the plan being promoted by business circles in the U.S. is to separate the production processes and have the final stage done in the U.S. where they will establish a massive robot-like system while the underdeveloped countries specialize in subassemblies. That is, what they plan to do is to convert the nations with a lesser degree of development into mechanical processors with access to only one stage in the manufacture of a product, which will later be finished and marketed by the highly industrialized countries.

In light of this plan, the words of Orville Freeman, president of the board of directors of Business International Corporation, take on more relevance. He referred to the excellent natural resources and the abundant labor supply of Mexico. The natural resources, in which petroleum plays a principal role, constitute one side of the plan the U.S. businessmen have prepared in the case of Mexico.

The other, converting our country to a mechanical assembly region, is basically related to the abundant labor supply—we should add cheap—that would help lower the cost of parts that make up the finished products. In order to carry out this plan, however, the U.S. businessmen need more power to make decisions within the companies they have established in our country.

This objective explains the offensive undertaken against the Foreign Investments Law that limits the ownership of foreigners in Mexican companies to 49 percent. Thus the representative of big U.S. capital considered this an obstacle to foreign investment. The great pressures brought by these businessmen, who have declared unabashedly that they are closely monitoring the economic policies Mexico will be setting, as it has a sovereign right to do, are attempting to take advantage of the financial weakness of our country to blackmail us and prepare the way for their new exploitation plans.

Thus the executive vice president of Chase Manhattan Bank, John Haley, has stated that credits will once again flow into Mexico once the negotiations on its foreign debt are completed and—in a statement that denotes U.S. interest in Mexican oil—once the prices of the raw materials it exports stabilize.

The plans of the U.S. business group to revive their economy at the expense of the peoples of the underdeveloped countries and the statements and pressures brought to bear by using credit as a lever oblige the progressive, nationalistic, and democratic forces of Mexico to establish permanent vigilance over foreign investment and its scope in our country.

9015

CSO: 3248/486

## INTERIOR MINISTRY BLAMED FOR REFUGEE HUNGER, POOR HEALTH

Mexico City PROCESO in Spanish 10 Jan 83 pp 16-19

/Article by Candelaria Rodriguez/

/Text/ Marques de Comillas, Chiapas--In the middle of the jungle is heard the heart-rending crying of a small girl whose bones are covered by hardly more than thin skin. She inevitably brings to mind the children of Biafra. She is a Guatemalan child who, jointly with his parents, came to this jungle last October hoping to escape the genocide in their country. But her future is no less terrifying: death from undernourishment.

Even so, her parents declare: "We prefer to die like this, from hunger, than from the bullets of the army of Rios Montt!"

Like her, hundreds--maybe thousands--of children among the 40,000 Guatemalans who have taken refuge in Chiapas patiently await the hand that will save them from slow death.

Biafra is an African reality. But Biafra also comes to mind here, among the Guatemalan refugees in Chiapas. They arrived, all of them, fleeing from their country. Since their arrival in this area, always on foot, emergency plans to help them were set up by many organizations, such as the UNICEF and the UN High Commission for Refugees, and the Mexican Government itself. But they all failed. Famine and diseases are wiping them out.

Dr Maria Luisa Pelaez, of the Secretariat of Health and Assistance (SSA), and Carlos Ramirez and Mario Lopez, representatives of the Mexican Solidarity Committee of the South Zone, charge: "Through the Mexican Refugee Aid Commission (COMAR), the Interior Ministry blocks all solidary organizations willing to help the Guatemalan refugees. The COMAR has centralized and hoarded all the supposed aid offered to them."

And if this were not enough, the 40,000 Guatemalans who have taken refuge in Mexico and have been set up in 36 camps distributed in the municipalities of La Trinitaria, Las Margaritas and Ocoingo have another problem. Francisco Jose, one of the many Guatemalans who is the representative of a small cooperative named Tierra del Quetzal, complains:

"When we arrived in October, the Mexican migration office granted us asylum for 60 days. The Mexican permit expired on 31 December, and now we are expecting that they will attempt to deport us to our country." Right afterwards, he vows: "That cannot be...if they tell us we have to leave, we will die here first than return to Guatemala!"

The area where the refugees are located has been divided by the solidary committees, the Christian Committee and the volunteer doctors of the Comitán Hospital into four zones: Paso Hondo, Tziscão, Rio Azul and Ixcán. Their estimates as to the number of refugees are limited to the camps that have been assisted up to now, which are 10 located on the margins of the Lacantún River. The census came up with a total of 13,000 Guatemalans.

However, the Guatemalan refugee camps in Mexico that have not received food and medical aid or have received them sporadically or minimally, according to the report furnished by Dr Ernesto Gonzalez de la Torre, spokesman of the volunteer doctors, are: In Ixcán--the communal lands of Hermosillo, Hidalgo, Agua Perla, Plan de Rio Azul, Democracia, Nuevo Rodulfo Figueroa, San Marcos and Colorado. In the Tziscão zone--Santa Elena, Pacayal, Zapotal, Azul o Negro, Santo Domingo, Las Palmas, Las Nubes, Cataratas, Los Niños, Loma Bonita, Euseba, Monte Cristo, Flor de Café, San Andres, Pena Blanca and San Vicente.

Alfredo Witschis, representative of the UN High Commission for Refugees; Stina Mossberg, of the UNICEF; Dr Maria Luisa Pelaez and nutritionist Maria del Pilar Torres, representatives of the SSA, recently toured the refugee camps. The conclusion they reached is that "the situation of the Guatemalans is worse" than had been estimated early in October, when a preliminary plan of assistance, health, nutrition and sanitation was made.

In a document drafted by investigators for the human rights organizations, it is reported that the camps of El Recuerdo, Colon, Rancho Texas and Dolores, where basic medical attention had already been established, were dispersed by elements of Mexican migration in October of last year.

On 29 December, SSA personnel started carrying out the emergency plan and established as priorities the feeding of the vulnerable groups, immunization, census of the population and supply of the most urgent medicines at the camps of La Selva, Puerto Rico, Ixcán, Schajul, Monte Flor and Flor de Café. However, the plan was not fully implemented because "the COMAR did not distribute the feed and the medicines in due time."

The centralization exerted by the COMAR, "which makes their needs and diseases grow worse," was confirmed also by a commission of International Amnesty in late December, a few days before it left for the Guatemalan capital to meet with President Efraín Ríos Montt.

#### Puerto Rico, the Largest Refugee Camp

The largest camp in Chiapas, named the Puerto Rico, where more than 4,000 Guatemalans have taken refuge and the rates of mortality and undernourishment

are the highest, is located along the banks of the Lacantun River, 700 meters from the Guatemalan border.

Spokesmen of the Mexican Solidarity Committee pointed out: "At this camp, same as at those of Ixcán and Schajul, the COMAR controls its access and the distribution of food, impeding the participation of national and international solidary organizations and the task of all newsmen, who are closely watched all the time they remain in the region."

The complaints about the lack of medicines are many. For example, one of the UNICEF's doctors, Alejandro de la Torre, says that children and adults have died on many occasions for lack of "a single bottle of serum."

The Peruto Rico cemetery was started last October with a grave for the remains of a Mexican girl. In about 2 months since then up to December, 95 Guatemalans have died and have been buried there.

Maria Luisa Pelaez, of the General Directorate of Health Education of the SSA and the official in charge of the emergency plan of the Ixcán zone, says that the health of the Guatemalans is precarious, particularly in this area where the jungle is so tough that "any person" can die in 24 hours, and more so if there is a lack of medication.

She notes: "We do not even have serum at this time, that is the magnitude of the problem being faced in the region... Everything that can be programmed for these camps goes beyond the imagined quantities." The doctor also describes the problems facing the UNICEF's doctors, who are coordinated with those of the Comitán hospital: "The quantities of hemoglobin sent to this hospital to be forwarded to the jungle average 1.5 grams /per capita/, and a person cannot survive with less than 3 grams of hemoglobin."

The main diseases that have been detected among the Guatemalan refugees are malaria, amebiasis, parasitosis, tuberculosis and respiratory ills produced by the cold and the humidity of the jungle. "With the high degree of under-nourishment and anemia, these diseases cause the death of the refugees," the doctor says.

The undernourishment that the Guatemalan refugee children suffer is severe. There are children 10 and 11 years old who hardly weigh 14 kilos, and others 2 years old weigh only 5 kilos when they should weigh 12 or 13 kilos. And the comment of the doctors is: "Biafra is not much compared to this."

#### Preferable to Die in Mexico Than in Guatemala

The bafflement and the uncertainty among the Guatemalan refugees are such that distrust limits them solely to look. Only a few dare to protest provided they remain anonymous. "If migration grabs us, it will return us to Guatemala and we do not want to be tortured by the army that is killing our kind."

The representatives of the towns of Mayalan, Rosario, Xalbal, Pueblo Nuevo, Ixtahuacán, Santo Tomás, Malacatan, Sunil and Cuarto Pueblo of the departments

of Huehuetenango and El Quiche who are in the refugee camps of the region of Ixcán and Tziscáo, cry out: "One can no longer live in Guatemala; the army burns our homes, crops...rapes the women, tortures the men and massacres whole villages. The army accuses us of being guerrillas, but what guerrillas, Miss? We are all peasants, and our only weapons are our hands."

Gathered together, the Guatemalan refugees reported that in Guatemala, "shots were heard every day in the villages of Huehuetenango and El Quiche. This led us to believe that the soldiers were attacking the guerrillas, but when we went to see, there were our poor people lying about. We know them, we know it is our peasant folks who are being murdered by the army, which ambushes them. But the following day we hear on the radio over the Nuevo Mundo station that the army reported a number of guerrillas were killed by its forces, that weapons were captured and a lot of other things, but we know the truth, which is the sad situation of Guatemala."

That is why, they say, they prefer to die in Mexico rather than in Guatemala. "We are not leaving here, and if Mexican migration tells us we have to leave, they are going to have to take us dead because we are not leaving alive." Then comes the question: "What are we going to get in Guatemala if they return us?" And they answer themselves: "Only death! That is why we are not leaving. It is our decision and that of our families."

Meanwhile, the Guatemalan Army continues to violate Mexican territory by air and by land. Early in December, elements of the Guatemalan Army entered the camp of Schajul, an action which was denounced by the communal commissar via a radiogram /courtesy/ of the Federal Electricity Commission. And by air, the Guatemalan soldiers daily penetrate Mexican territory to spread even more fear among the Guatemalan refugees, without the federal authorities doing anything to prevent it.

There are 40,000 Guatemalan refugees in this region that can be reached only by air or by the river, or the way they did it--after a long trek that can take many days and even weeks. They are people fleeing from the genocide in their country who are facing "other enemies"--the Mexican authorities and the jungle.



Camp in the jungle.

8414

CSO: 3248/465

## ENVOY TO USSR: DEBT PROMOTING TIES WITH SOCIALIST WORLD

Mexico City EXCELSIOR in Spanish 24 Dec 82 p 17-A

[Article by H. Rodriguez M.]

[Text] Moscow, 23 December--Mexico's debt with the capitalist countries of the West will force the country to seek commercial horizons in the socialist world, especially in the USSR, reported Gustavo Romero Kolbeck, Mexican ambassador in Moscow, to this correspondent.

The diplomat added that agreements have already been signed under which the USSR will begin work in Mexico to bring into operation a hydroelectric power plant, at a cost of about \$500 million. There is also a possibility that the Soviets will install plants for cellulose and synthetic rubber in Mexico.

"We," explained Ambassador Romero Kolbeck, "are interested in promoting our economic trade with the USSR, a country with enormous prospects in commerce. One must take into consideration that Soviet credit terms are much more favorable than those existing in the United States and the countries of Western Europe."

Romero Kolbeck talked with this correspondent right after TASS and PRAVDA published detailed accounts of the meetings that he had with Foreign Minister Andrei Gromyko and with Geydar Aliyev, a top CPSU Politburo member. The latter is now considered to be a key man in the future of this country, since he enjoys the confidence of Yuri Andropov, the new CPSU secretary general.

The Mexican ambassador was received by both leaders at the time of his departure, since, according to TASS and PRAVDA, their work was finished.

Gustavo Romero Kolbeck also told this correspondent that relations between Mexico and the USSR are at a very high level. "I can assure you," he specified, "that we agree on almost all points having to do with international policy, especially in regard to the struggle for peace and worldwide disarmament."

Finally, the diplomat indicated that Mexico maintains relations with the USSR at three levels: international policy, culture and commerce. "I told you already," he continued, "that at the first level we are doing very well. At the cultural level, the USSR is the second country after France with which we have close exchanges. What now needs to be improved is commerce and I believe that because of our economic crisis, we should study the manner in which our products reach the USSR and how we may take from here the technology that they have and that we most need."

## TEHUANTEPEC BISHOP LONA CALLED 'COMMUNIST'

Mexico City PROCESO in Spanish 27 Dec 82 pp 34-35

[Article by Carlos Fazio]

[Text] The charges are mounting against Monsignor Arturo Lona, seventh bishop of Tehuantepec, Oaxaca: "guerrilla," "communist" and "advisor" to nonconformist student groups.

Don Arturo does not lose courage. He states that nothing that happens in his diocese is foreign to his Christian mission. He says: The Church of Tehuantepec, in communion with the pope and the Latin American bishops, seeks justice and equality among men and supports all efforts by the poor to free themselves from the slavery and oppression to which they are subjected by the powerful.

He answers his accusers: "Before God we say to them: they are liars taking advantage of their wealth and power." And he asks his parishioners: "Have confidence in your bishop and in his helpers; we are telling you the truth."

The political climate on the isthmus is hot. Two things, basically, have occupied the bishop's attention, and they earned him the animosity of powerful local citizens. First, there were the events in San Miguel Chimalapa, where the Zoque population is making progress in its demands, despite the ladinos and PRI party bosses. The other thing is the conflict in Tehuantepec's Preparatory School No. 4, where a democratic student movement has arisen that seeks a critical, scientific and popular university and that should confront the "porrismo", the corruption and the "charrismo" brought about by school director Andres Salinas.

Minor matters? Not for the diocese. Violence is up and there have been victims. A policeman, Feliciano Gutierrez Morales, was killed with impunity by gunmen led by PRI members. There were more deaths this week, including two peasants from near Matias Romero, whose bodies were found shot up by a machinegun. Don Arturo relates: "The people here are now saying that those bullets were meant for me."

Monsignor Lona explains the events of San Miguel Chimalapa, going back to the beginning of the current conflict. He says that after 8 months of power by school director Andres Salinas

the municipal president, Alfredo Ordaz Juan, the town majority decided to take the municipality because of the discontent that had been building after the fraudulent takeover, abuses and bad management by the administration. That occurred 12 September 1981. Four days later, despite the pressure resulting from the presence of a large police contingent, Indalecio Sanchez Cruz was recognized as the new municipal president. The result was that the population remained divided into two groups: a large majority supporting change and the rest wanting a return to the previous situation.

The popular movement made progress. At the end of Celerino Benitez' term as police chief, during which there was great corruption, above all in the Communal Forestry Enterprise, Abundio Jimenez Martinez triumphed in the elections for president of Communal Goods, defeating the PRI candidates. The locals, mostly Indians of the Zoque tribe, have been led in their struggles by the Committee for the Defense of the People of Miguel, advised by the COCEI. Since then, the situation has changed. A road resurfacing project was carried out, the abuses in the municipal cuotas were ended, a CONASUPO [Government Basic Commodities Company] store was established, there was cooperation in constructing a storehouse for medicine, the contract for electric service to the town's clinic was paid and an attempt is being made to exploit the forest riches of San Miguel.

Don Arturo describes the citizens of San Miguel as a community just awakening. For example, in the 4 July elections, the PRI was guilty of election fraud; the town and its authorities drafted a written protest and the vote was canceled.

The bishop also takes up the mobilization of the San Miguel citizens for a better education for their children. Cuauhtemoc Santibanez Matus and Cuauhtemoc Lopez Luna, both teachers, controlled the primary school for years. They dedicated themselves to profiting from education: They sold free textbooks, qualification cards and certificates. They even went so far as to discriminate against the "COCEI-Indians" in favor of the ladino children. The town asked for the removal of the teachers and for a change in the educational system, demanding bilingual teachers. It was August. By September, the SEP [Secretariat of Public Education] of Oaxaca had not responded and the family fathers took the school on the 12th. Later, they talked with Governor Pedro Vazquez Colmenares, who ordered an SEP investigative commission to go to San Miguel. The result was the automatic expulsion of the teachers but the change in the educational system was not accepted.

The case of the teachers was the pretext for an armed group from the farm settlements of Cuauhtemoc Guadalupe Chimalapa and Emiliano Zapata Chimalapa, along with the town's PRI membership, to capture the municipal palace last 18 October. They kidnapped Sanchez Cruz and installed Santiago Dominguez as municipal president. Again, the town went before the governor in Oaxaca. Vazquez Colmenares sent in the "blues" (State Judicial Police) and the SEP promised a new teaching staff. On 20 November, the governor's delegates to reinstate the municipal authorities under Indalecio Sanchez Cruz.

On the afternoon of that same day, a group of between 20 and 30 gunmen attacked the four municipal policemen and killed one of them, Feliciano Gutierrez Morales. Gradually, says Arturo Lona, the situation is returning to normal; there is "relative calm."

And what does the church have to do with all this? Don Arturo explains that during all of these events, two Catholic missionaries, Juan Francisco Ruiz Meza and Lino Tenorio Cayetano, have accompanied the popular movement. Therefore, they have been accused of "meddling in politics" and of being "foreigners from Central America." The bishop states that the two pastoral agents are Mexicans, both from San Luis Potosi, and that they were sent to San Miguel by the Catholic Church of the Isthmus of Tehuantepec. He says right out: "They have the aid and support of the bishop and his helpers in the diocese. The decision by Juan and Lino to remain with their poorer brothers, who are fighting to improve their town, cannot be interpreted as political work. They are simply limiting themselves to standing by that suffering town, faithful to Medellin and Puebla."

The bishop explains that the local church in Tehuantepec supports any organization that seeks the establishment of justice. Nevertheless, although he believes in the same search for justice, he declares openly that he does not belong to any political organization.

Don Arturo reminds that at Pentecost in 1980, he published the excommunication decree for torturers in the Tehuantepec diocese. Now, he says, the cruel killing of brother Feliciano Gutierrez has that character; therefore, if any Catholic Christian participated in that crime, he will remain outside of the communion of the Catholic Church.

The situation in Preparatory School No. 4 is no less serious. The removal of three teachers--Antonio Sanchez, Dionisio Hernandez and Miguel Cruz, Cruz being parish priest at San Blas Atempa--by the administration of Preparatory School No. 4 under the leadership of Andres Salinas brought about the mobilization of the students, who demanded their restitution. Salinas' answer was violence. On 1 October, two vans loaded with thugs with guns and pistols forced their way into the preparatory school grounds and after beating the students, they evicted them. Since that day, the student protest has not stopped. A student commission is currently negotiating with the rector of the Benito Juarez Autonomous University in Oaxaca and with the state governor for the restitution of the teachers and the punishment of the gunmen commanded by Marco Antonio Nino de Rivera, leader of the "charro" union responsible for shooting and wounding the student Rosa Maria Ramos on 18 November.

Don Arturo shows a leaflet signed by the director, teachers and students of Preparatory School No. 4 accusing the three removed teachers of being "terrorists under the orders of Arturo Lona Reyes." And he says, "during recent weeks, they have been using loudspeakers, leaflets, meetings and marches to slander me and to accuse me of being the leader of a student movement. In this way, they are also trying to implicate me in the violent acts of 18 November. I strongly protest in the name of truth. I am not advising the

student group in either its organization or in planning its actions. Also, I was in Mexico City on 18 November, participating in an episcopal meeting with the bishops."

"As bishop, I, along with the simplest people in the diocese, continue to seek the truth, and I denounce the calumny and lies that make us slaves to the private interests of a few who manipulate the feelings and hearts of many people. Our Christian commitment is in favor of the destitute. We ask them not to lose heart or to let themselves be deceived by those wanting to discredit us, accusing us of being communists or guerrillas.

"Before God we say: Those accusing us are liars who are taking advantage of their wealth and power.

"The poor in my diocese," he concludes, "have already discovered that and they support me. That encourages me in my work as pastor."

9746

CSO: 3248/413

## CNPA TELLS OF VIOLENCE AGAINST OAXACA'S TRIQUI INDIANS

Mexico City EXCELSIOR in Spanish 15 Jan 83 pp 1-a, 9-A

[Article by Aurelio Ramos]

[Text] The Plan de Ayala National Peasant Coordinating Organization (CNPA) charged yesterday that political bosses and businessmen, with the help of the state government, have brought about an acute climate of political violence on the Triqui region of Oaxaca manifested by murders, torture, rape, and the disappearance of Indians, whom they are trying to dispossess of lands with vast natural resources.

The political conflicts that erupted in that region in 1977 are now resulting in the murder of "hundreds of Triquis" by the state police, political bosses' gunmen, and even members of the army, while the government of Pedro Vazquez Colmenares is unable to put a stop to the situation, the representatives of the Indian group said.

It all started when the Bosques de Oaxaca Lumber Company and another lumber company operating in Pinotepa Nacional gave 600,000 pesos to the village authorities of San Juan Copala to obtain concessions to operate in the forests belonging to the Triquis, despite the opposition of the community.

The Triqui Unification and Struggle Movement was formed to coordinate opposition to the authorities, who are openly backed by the state government, the PRI [Institutional Revolutionary Party], the political bosses, and, under pressure from the lumber companies, Indian leaders. Since that year political confrontations have taken place at the annual installation of new authorities.

#### The Situation Worsens

However, the situation grew worse in the 1982 elections when, after insistent appeals to the governor, the elections had to be repeated. This official action deepened the divisions in the community. The murders are proof of the results of the dispute.

#### The Situation Is Not New

On 11 July 1982 the Indians brought the corpses of 11 murdered peasants to Governor Vazquez Colmenares and notified him of four other crimes that had

occurred a few days earlier. Those 11 corpses were exhumed to show them to the chief executive as evidence of the wave of repression, the accusers said.

On his part Vazquez Colmenares has repeatedly offered to investigate the murders, tortures, rapes, and disappearances, but such investigations never been carried out. And even the promises about elections matters have been systematically broken by the governor, they added.

In reply to the demands of the Indians for investigations and the repetition of elections, Vazquez Colmenares has sent police detachments to San Juan Copala to reinforce the military unit stationed there.

"It is said the Indians are guerrillas who are hiding weapons in their houses, but none of this is true. We will fight to defend our interests with the only weapons we have: by rallies and by publicizing our problems," they asserted.

9015

CSO: 3248/475

## DEFENSE MINISTER SEES NO THREAT FROM SOUTH

Mexico City EXCELSIOR in Spanish 10 Jan 83 pp 5-A, 32-A

[Article by Angel Soriano]

[Text] Merida, Yucatan--9 Jan 83--The secretary of defense, Juan Arevalo Gardoqui, stated here today that there was no way to stop the flow of people migrating from Central America into Mexico, but he said the instability of the countries of that region was in no way a threat to national sovereignty.

Accompanied closely by 20 high defense officials, the military leader arrived in this city to inspect the installations of the 32nd Military Region and later those of the 34th Military Region in Valladolid.

Asked about the possible presence of Guatemalan guerrillas in the Chiapas area, he discarded that possibility because the Mexican Army, which maintains strict vigilance and faithful custody over the nation's territory, would present any foreign presence in the area. With respect to the immigrants, he said the Secretariat of Interior and the Secretariat of Foreign Relations maintain adequate control over this situation and even provide assistance to those who are harassed by the social conflicts in their country and enter ours to save their lives.

Arevalo Gardoqui arrived in an aircraft of the Mexican Air Force and said that his visit was part of a program of visits to each of the military regions of the country to inspect them and to convey a greeting from President Miguel de la Madrid to the personnel assigned to those bases.

He also reported that there were no plans for buying new military equipment for the Mexican Army since the present equipment is sufficient for it to carry out its functions to keep the peace, defend the nation's institutions, and protect national security efficiently.

He said the austerity program imposed by the federal government did not affect the armed forces institution; like all the social sectors of the country the Army supports the program of President Miguel de la Madrid.

The defense chief was in Valladolid today and will return to Mexico City tomorrow.

## ARMED FORCES NEW YEAR'S MESSAGES STRESS LOYALTY

Mexico City EXCELSIOR in Spanish 4 Jan 83 pp 1-A, 14-A

[Article by Aurelio Ramos M.]

[Text] Insisting that the armed forces "continue to be the institutional foundation of the republic," President Miguel de la Madrid said yesterday that 1983 would be a year "of effort, discipline, order, and national harmony." He said also that there was no room in Mexico for discouragement, just constant transformation.

The people are standing up to the challenge the times demand with dignity and unity, he added in an address before representatives of the army, navy, and air force, who called on him at the National Palace for a New Year's greeting.

He stated that the transformation would take place this year in defense of the people's, authentic interests by lowering the rate of inflation and protecting jobs so that we may move ahead towards social and economic conditions that are more fair and more permanent.

De la Madrid also received greetings from the cabinet and from members of the National Executive Committee of the PRI [Institutional Revolutionary Party]. The secretary of defense, Juan Arevalo Gardoqui, and the secretary of the Navy, Miguel Sngel Gomez Ortega, also spoke at the meeting with members of the armed forces.

"We are beginning a difficult year, but we begin it with the blueprints and foundations needed to face the basic problems with optimism," the chief executive said. He said such optimism had its origin "in our concept of nationalism, which I see as the ability to understand our problems and solve them with our will and our resources, while strengthening our social fabric in justice and liberty."

After reiterating his affection and appreciation for the members of the three armed services present in the Courtyard of Honor of the presidential palace, he added:

"Today, the first day of the year of national effort, discipline, order, and harmony, I urge you to redouble your efforts so that you will continue to be

the institutional foundation of the republic and continue to show the example of your patriotism, rectitude, professionalism, and work to the Mexican people, who are standing up to the challenge the times demand with dignity and unity."

Arevalo Gardoqui said the noble sentiments expressed by the chief executive to the armed forces institution "commits us totally to his leadership; we will always put forth our best efforts so that the country will attain the objectives set out for it."

The secretary of defense reiterated the obedience, respect, and unshakeable loyalty of the men-at-arms to the president; the "broad and proper orders we receive from his hands have been faithfully interpreted by us."

#### Gomez Ortega's Offer

The navy chief, Admiral Gomez Ortega, promised that the navy would pledge all its effort, enthusiasm, and strength to serve the nation, and he also reiterated the loyalty of this branch to the president.

"Be assured, Mr President, that you will find Mexican sailors to be the most loyal of followers, who are determined in action, so that the nation, as you have stated, will not come apart in our hands," he said.

De la Madrid and his cabinet met the members of the National Executive Committee of the PRI in one of the rooms of the National Palace and he personally greeted each visitor.

Adolfo Lugo Verduzco, head of the PRI, said at the ceremony that his party had noted with satisfaction that in the brief period he had been in office "President De la Madrid has made great efforts to meet the commitments he made with the people during his election campaign."

He added, "the President has responded with deeds to the commitments he made as a candidate."

He said his party agreed with the president's recognition of the fact that the country must get ready to experience conditions that will demand solidarity with the higher interests of the nation as well as efficiency, honesty, and greater productive effort.

#### "Revolution in Living Modes"

He said that because of the present critical circumstances of our economy "we must promote a real revolution in the Mexican Way of life which will affect the means of production, social values, and the quality of life of the people.

Lugo Verduzco affirmed that the reorganization of the economy "will offer us the opportunity to guide the country toward a pattern of nationalism,

democracy, and moderation that is compatible with the reality, sensitivities, and age-old idiosyncrasies of the Mexican people."

The PRI leader declared the PRI was determined to remain "a party that espouses the causes of the people" and therefore it would adapt to the new situations the country is experiencing. Careers in the party will be oriented to ensure that the leaders come from the grassroots "because we do not want people who are either lukewarm or bashful."

He said the PRI intends to win elections in a strictly legal manner, and in this regard he criticized the "use of illegal methods to win victories that the people have not approved."

Furthermore, "we energetically condemn violence as a weapon of political struggle," he said, concluding that the PRI asserts that the Mexican Revolution is alive and has not exhausted its expectations.

9015

CSO: 3248/475

## BUSINESS HEADS: IMPORT PERMITS NEEDED URGENTLY

Mexico City EXCELSIOR in Spanish 8 Jan 83 pp 1-A, 15-A

[Article by Jaime Contreras Salcedo]

[Text] The nation's productive apparatus can only last another month without the inputs necessary for sustained activity, or, at any rate, for minimum maintenance, according to a statement yesterday by Ignacio Barragan de Palacio, president of the National Association of the Processing Industry [CANACINTRA], in which he urged the authorities to facilitate the paperwork necessary to obtain import permits required by his branch of the economy.

Also, Alfonso Pandal Graf, president of the Confederation of Industrial Chambers [CONCAMIN], emphasized that the situation in the branch he heads "is critical," because many of us have contracted debts in dollars "which, due to the effects of devaluation, have tripled, and are now threatening to drown us."

Questioned separately, both Pandal Graf and Barragan de Palacio agreed that we must first analyze the total foreign debt, in view of the new exchange situation, in order to be able to set up policies that will insure "that debts in dollars to our suppliers will be paid off, so that we can acquire the additional raw materials we so badly need."

Barragan de Palacio said that in order to meet these needs, industrialists are going to the offices of the Secretariat of Commerce and Industrial Development "in order to find out what the fastest operative procedure would be to obtain the import permits for raw materials needed by our nation's productive network."

The leader of the processing industry indicated that, as such permits operate in foreign currency, they must be made out for the "highest amount possible, so that firms in this branch of the economy will have their documents ready, as well as the foreign exchange necessary to import materials that are already becoming scarce in many companies."

Barragan de Palacio said that he is making every effort "to overcome the scaracity of raw materials," and said that we have "at the most 4 weeks before our problems begin," and that "we are now holding talks with officials in

order to prevent any difficulties in the near future with respect to obtaining the permits that will allow us to get the inputs needed by industrial firms."

"I don't want to see this bottleneck happen," said the president of CANACINTRA, and he pointed out that he has also spoken with officials concerning ways of renegotiating the private foreign debt. "Otherwise we will be unable to regain the complete confidence of our foreign suppliers."

Pandal Graf refrained from doing more than agreeing with Barragan, and noted that he, his advisors, and the government "are analyzing the total private debt in order to be sure what it amounts to, and then we will know exactly what the situation is for the nation's industry."

Finally, the president of CONCAMIN reiterated that private debt has tripled in the last 12 months.

9839

CSO: 3248/449

## EXCHANGE RATES JEOPARDIZE PEASANTS

Mexico City EXCELSIOR in Spanish 31 Dec 82 p 4-A

[Article by Jaime Duran]

[Text] Exports of 1.25 million tons of Mexican produce to the United States and Canada will yield 400 million dollars for Mexico next year. There is an anomaly, however, in fact a total imbalance, "since the dollars we earn are valued at the preferential rate of 95 pesos, while we have to pay for materials we import at 150 pesos to the dollar," said Carlos Gama, president of the National Union of Produce Farmers [UNPH].

Gama pointed out that "up to now we have had good government support for exports, above all from the Secretariat of Commerce, Agriculture, Plant Hygiene, and Treasury. Ample facilities have been offered to ease the paperwork horticulturalists must go through."

Nevertheless, Gama said, "the disparity involved in earning dollars for export at 95 pesos, or in other words at the preferential exchange rate, and buying raw materials imports at 150 pesos, or the market rate, produces a considerable drain on peasant income."

Gama criticized the Secretariat of the Treasury because "they insist that we submit a declaration based on income earned last year, which constitutes another blunder in fiscal administration, since we cannot anticipate how much we are going to export, nor how high we will be able to sell, due to the special circumstances of markets in Washington, Chicago, and New York."

"Treasury," Gama said, "gives preferential fiscal treatment to seed and fertilizer, but not to machinery and spare parts needed for tractors and other special equipment, which is where another measure of fiscal sacrifice by the federal government is needed." And he insisted that "in spite of the fact that some assistance is given, we need to avoid the endless bureaucratic procedures and requirements, as well as the bribes to customs agents needed to facilitate export of perishable products such as the garden produce that is in such demand in North America."

## DIFFERENT MINIMUM WAGES FOR FOUR REGIONS

Mexico City EXCELSIOR in Spanish 29 Dec 82 pp 1-A, 10-A

[Article by Humberto Aranda]

[Text] A scale of four different minimum wage levels--325, 365, 415, and 455 pesos a day--will be in effect throughout the country during the first half of 1983, according to an official announcement yesterday by Blas Chumacero Sanchez, alternate secretary general of the CTM [Confederation of Mexican Workers]. This represents a 25 percent increase over current levels, and wages will be raised again by 12.5 percent beginning in July.

The 455-peso wage applies to the Federal District and its metropolitan area, as well as to Baja California North; Ciudad Juarez, Chihuahua; Minatitlan and Coatzacoalcas, Veracruz; Baja California Sur; Nogales, Sonora; northern Tamaulipas; and Acapulco, Guerrero. The latter four areas were brought up to par with the first four. Thus, the 5-level minimum wage scale previously in effect has not been reduced to 4 for 1983.

The 415-peso wage will apply to six areas: Costa de Sonora; Monterrey, Nuevo Leon; Ciudad Mante, Tamaulipas; Tampico, Ciudad Madero, and Altamira, Tamaulipas; Poza Rica and Tuxpan, Veracruz; and Guadalajara, Jalisco.

Minimum wage will be 365 pesos in the following 48 areas: Sonora Sierra; Coahuila Saltillo; Aguascalientes; Michoacan Morelia, Morelos; Chihuahua Sierra; Nuevo Leon Sabinas Hidalgo; San Luis Potosi South, Huastecas; Michoacan Zitacuaro; Tlaxcala; Chihuahua Northeast; Nuevo Leon North; Nayarit; Michoacan Meseta Tarasca; Puebla Sierra; Chihuahua Guerrero; Nuevo Leon Montemorelos; Jalisco Ocotlan; Michoacan Central; Puebla Metropolitan Area; Chihuahua Chihuahua; Nuevo Leon South; Jalisco Central Coast; Michoacan Coast; Puebla Central South; Chihuahua Jimenez; Tamaulipas Central; Colima; state of Mexico Central South; Veracruz Central; Coahuila North; Sinaloa North; Guanajuato Central; state of Mexico Toluca; Guerrero Chilpancingo, Costa Grande; Tabasco; Coahuila Monclova; Sinaloa Northeast; Queretaro Queretaro' state of Mexico Northeast; Oaxaca Isthmus; Yucatan Merida, Progreso, Comarca Lagunera; Sinaloa South; Michoacan Cienega de Chapala; state of Mexico East; Chiapas Tapachula; and Quintana Roo.

The lowest minimum wage level, 325 pesos, will apply to 27 different areas; Chihuahua West; Guanajuato; Michoacan Bajio; Oaxaca Central; Durango North,

West, South; Queretaro North; Chiapas North Pichucalco; Durango Central; Queretaro South; Chiapas Palenque; Durango East; Hidalgo; Chiapas Central; Zacatecas (rest of the state); state of Mexico North; Chiapas Coast, Tuxtla, Chico; Zacatecas Central; Guerrero Central; Campeche Carmen; San Luis Potosi North; Guerrero; Oaxaca Coast; Campeche Central; Jalisco Bolanos, Los Altos; Oaxaca Tuxtepec; Campeche North; Guanajuato North; Oaxaca Guerrero, Mixteca; and Yucatan Agricola Forestal.

Previous wages of 260, 292.50, 331.50, 357.50, and 364 pesos a day, which will cease to be in effect as 31 December, were only valid since last 1 November, when the 30 percent emergency raise authorized by the government last March, following the first devaluation, was put into effect.

9839

CSO: 3248/449

## BRIEFS

**COAHUILA INVESTMENTS SUSPENDED**--Industrial investment projects by mixed enterprises and private sector firms in Coahuila, projects valued at up to 10 billion pesos, have been virtually paralyzed the last two months by the nation's economic crisis. So said Fernando Hernandez de la Pena, undersecretary of promotion and development for the state government, who added that only 40 percent of projected investment has actually been realized. Hernandez de la Pena noted that up until October, average investment and new employment in Coahuila were higher even than nationally, due to major investments made in the areas of Monclova and Piedras Negras. Nevertheless, he said, up to now only four firms have held to their original intent of setting up business in this state. [Text] [Mexico City EXCELSIOR in Spanish 29 Dec 82 p 8-D] 9839

**NUEVO LEON UNEMPLOYMENT FIGURES**--Following layoffs that have occurred in Nuevo Leon since last April, more than 100,000 workers spent Christmas without a job, according to data supplied by the Mexican Social Security Institute [IMSS]. This year's economic crisis was also reflected in Monterrey, with a total of 16 strikes, the closing of two significant industries, and reductions in working hours. Even worse troubles are nevertheless predicted for 1983. Among the companies that have reduced their working hours (by one working day) are John Deere, Focos S.A., and the Adolfo Prieto Foundry. At Focos S.A., workers are on for two weeks and then off for two. Firms forced to close for an indefinite period due to problems in importing raw materials were Sylvania and Trailera Monterrey. [Excerpt] Mexico City EXCELSIOR in Spanish 30 Dec 82 p 6-D] 9839

**PUEBLA CONSTRUCTION INDUSTRY UNEMPLOYMENT**--Some 60,000 construction industry workers in this state are unemployed due to the liquidity crisis that is preventing investment in the construction of public works, homes, and new industrial plants, said Javier Cabanas, the president of the state chamber of construction industries. He added that the unemployment statistics represent 50 percent of those at work prior to reductions in the federal budget made by the last presidential administration. [Excerpt] Mexico City EXCELSIOR in Spanish 7 Jan 83 p 20-A] 9839

DEPORTATION OF CENTRAL AMERICANS--Reynosa, Tamaulipas, 6 January--Three Salvadorans and two Guatemalans detained by U.S. immigration authorities in Texan cities were delivered today to Mexican migration agents at the international bridge connecting this city with Hidalgo. They will be taken to the Federal District and deported to their countries of origin. The foregoing was reported by Reynaldo Garcia Duran, chief of the migration services delegation in Reynosa, who added that the U.S. immigration agents did not explain how these five Central Americans entered the neighboring country without documents. The detainees said that they came to Mexico with tourist passports. They entered through the state of Chiapas and their intention was to work in the United States. /Text/ /Mexico City EXCELSIOR in Spanish  
7 Jan 83 p 20-A/ 8414

CSO: 3248/465

## OPPOSITION STAGES PROTEST RALLIES OVER DISPUTE

FL172345 Bridgetown CANA in English 2319 GMT 17 Feb 83

[Text] Plymouth, Montserrat, 17 Feb (CANA)--A four-month dispute between Montserrat's governor, David Dale, and this tiny British colony's permanent secretaries, came to a head today and opposition groups staged rallies to protest the forced retirement of two top civil servants.

The dispute between Governor Dale and the five of six permanent secretaries, started early last October when Government House announced the promotion of the Permanent Secretary [of] Development John Ryan to the post of financial secretary.

The top public servants, described Ryan's appointment as "ill-advised," and claimed that he was not qualified academically or otherwise.

Those permanent secretaries involved in the dispute have been identified by the news media here as: Majella Cassell (Health), Elaine-White Samuels (Education), Jim Bass (Communications and Works) accountant-general, Francis Langais, principal permanent secretary in the chief minister's office, Kenneth Cassell and George Cabey (Manpower and Administration).

Cassell and Cabey yesterday received letters from Governor Dale informing them that: "With the approval of the secretary of state, I require you to retire from the service of government. You are to proceed on pre-retirement leave on 17 February 1983."

The island's largest trade union, which is attached to the Opposition United National Front, quickly reacted by calling for industrial action as a protest against the governor's move.

The other opposition party, the Progressive Democratic Party of ex-Chief Minister Austin Bramble, which is preparing for 24 February elections said it would join the 2,000-strong Montserrat Allied Workers Union and stage its own protest rally today, in an effort to whip up public support for efforts to have the governor's order rescinded.

In his letter, Governor Dale said: "This decision to retire you compulsorily is taken in light of your and other officials correspondence with me concerning the appointment of Ryan as financial secretary."

He added: "You should not have entered into this correspondence in which you, without any foundation of facts, directly accused me, and by implication the Secretary of State and Chief Minister, of acting improperly and with partiality in appointing Ryan as F.S."

In Cassell's letter, Governor Dale said that as the most senior secretary, he should not have acted in such a manner "and because you did so, there can be no further confidence in you as a senior official."

Other signatories to the petition challenging Ryan's appointment, received letters of caution, with the Governor warning that "similar action on your part in future will result in disciplinary proceedings."

Cassell, 48, had another seven years to the official retirement age, while Coby, 49, was six years away.

The 40-year-old Ryan's appointment made him the second local to hold the post, succeeding Briton Allan Ferguson on 1 January.

His appointment came less than two years after the government of Chief Minister John Osborne rejected a request from all permanent secretaries, including Ryan, to indigenise the post and appoint the then deputy financial secretary, Kenneth Lee, who is now with the Organisation of East Caribbean States in St Lucia.

CSO: 3298/1212

## 'EL NUEVO DIARIO' ON U.S., ISRAELI LINKS TO AREA

PA191726 Managua EL NUEVO DIARIO in Spanish 13 Feb 83 p 2

[Editorial: "LA PRENSA, Monge and Suazo in Mourning Over the Fall of the Israeli Butcher"]

[Text] /The resounding fall of the Israeli butcher/ [words within slantlines published in boldface], Defense Minister Ari'el Sharon, who contributed during the military invasion of Lebanon to the cruel massacre of thousands of Palestinian refugees, has darkened the pro-imperialist banners defended by the newspaper LA PRENSA in our country and by Costa Rican President Luis Alberto Monge and Honduran President Roberto Suazo Cordova, among others, in their own.

Due to the Israelis' insurmountable political and social contradictions, the Menahem Begin government had no choice but to appoint a government commission to investigate the responsibility of Sharon and other government officials, including military men, for the genocide that was perpetrated in Lebanon in November 1982.

That commission found the defense and foreign ministers and other civilian and military officials guilty and even established that Begin had some responsibility for the action. The report recommended that Sharon be dismissed. But while the commission was engaged in its investigations, genocidal Sharon was proudly visiting Honduras to sign agreements with the Suazo Cordova's pro-imperialist government. On the basis of those agreements, the military men who rule Honduras can receive Israeli airplanes and other weapons for use in the planned attacks on the Salvadoran fighters for liberation and the Sandinist people's revolution.

Coinciding with Sharon's visit to Honduras, Israeli Foreign Minister Yitzhaq Shamir went to Costa Rica. He was enthusiastically embraced by President Monge and Volio, the Costa Rican foreign minister and the diplomat of the big stick.

As a result of the Costa Rican Government's agreements with genocidal Foreign Minister Shamir, President Monge will receive Israeli armament, in open disregard of the Costa Rican people's opposition to U.S. imperialism's attempts to turn Costa Rica into a military base for attacks on the Nicaraguan revolution.

All of this makes it easy to understand why Sharon's fall and the danger that the Zionist foreign minister may also be forced to resign his position fill the counterrevolution, the newspaper LA PRENSA and all of the Monges, Suazo Cordovas and the Central American gorillas with mourning.

We must assess all of the factors that are exerting international pressure on the warmongering Reagan administration if we are to understand why U.S. imperialism is so frantically harassing the Sandinist people's revolution and the Salvadoran Liberation Movement. This harassment was intensified in El Salvador by Kirkpatrick, another diplomat of the big stick and of gun-boats, when she announced the possibility of direct intervention in El Salvador and in Central America generally.

The Begin government's growing ties with Costa Rica and Honduras were instigated by the gringo state department and Pentagon, in the expectation that the U.S. Congress might prevent Reagan from continuing the direct military aid to the genocidal regimes in Central America and to those who sympathize with them, like President Monge, who has also been willing to give them aid, even if only moral support (what morals!).

In other words, to U.S. imperialism the existence of a strong Israeli regime is fundamental not only to its plans in the Middle East but to its criminal measures in Central America as well.

Thus, the Reagan administration finds itself boxed in a corner of sorts, because it has now entered into a very serious trade confrontation with the EEC. It is also facing very serious resistance in Europe to the installation of nuclear missiles and to its warmongering plans in general.

Were we to list all of the factors that are exerting international pressure on the Reagan administration, we would have to write at some length. What we have stated is enough for an understanding of what the leaders of our political vanguard, the FSLN, mean when they say that 1983 will be a very difficult year for the defenders of world peace: they are indicating that this danger is the result of the desperation of the nearsighted leaders of world imperialism.

CSO: 3248/524

## D'ESCOTO MEETS WITH CLERGY IN CANADA

PA151440 Managua Domestic Service in Spanish 0300 GMT 15 Feb 83

[Text] Ottawa--This afternoon Nicaraguan Foreign Minister Miguel D'Escoto Brockman held an important meeting with representatives of the Canadian church, as part of the work activities carried out by the Nicaraguan delegation which is visiting Canada.

The Nicaraguan delegation, headed by Foreign Minister D'Escoto, met with Msgr (Abbo Krohl), the official in charge of the Human Rights Commission of the (Canadian Episcopal Conference) and Bishop of (?Hull); (Harry O'Shea) of the Anglican Church; (Don Green) of the United Church; (Roberto Diehammer) of the Lutheran Church; and (Wayne Smith) of the Presbyterian Church. They exchanged views on the critical situation in Central America, mainly Nicaragua, due to the Reagan administration's arrogant and interfering attitude.

Monsignor (Krohl) warned that the counterrevolutionary maneuvers, supported by the United States, endangers the Sandinist revolution and prevents the development of a better nation for the Nicaraguan people.

After the interview, he said that now more than ever, Nicaragua needs more international support and solidarity to overcome this critical phase of the process. He added that the Canadian people and religious organizations must remain vigilant to prevent an aggression against Nicaragua.

CSO: 3248/524

## D'ESCOTO ON SUPPORT FOR KAMPUCHEAN GOVERNMENT

PA121739 Managua Radio Sandino in Spanish 1830 GMT 11 Feb 83

[Text] Foreign Minister Miguel D'Escoto has said that Nicaragua will reiterate its support for the government of the People's Republic of Kampuchea at the Seventh Nonaligned Countries Summit in New Delhi in March. In reply to a question from the AGENCIA NUEVA NICARAGUA about the maneuvers being carried out by former Prince Norodom Sihanouk and Pol Pot to seize the Kampuchean representation at the nonaligned summit, the foreign minister said that Nicaragua once again reiterates its support for the only legitimate government of the People's Republic of Kampuchea.

We vigorously repudiate the intentions of the representatives of the genocidal Pol Pot to be accepted as representatives of the noble and long-suffering Kampuchean people. He explained that Sihanouk and Pol Pot, who head a coalition government in exile supported by Washington and Beijing, are trying to sabotage the process of dialogue between the group of countries of Indochina and ASEAN. We know that some are maneuvering to impose Sihanouk's aspirations on the summit. Nevertheless, we have confidence in the wisdom of most of the members of the movement, who will not only resist this absurd pretension but will also agree on seating the representative of Heng Samrin in the Kampuchea seat, Foreign Minister D'Escoto stressed.

CSO: 3248/524

## BRIEFS

ARGENTINE LOAN--Managua, January (ANN)--Argentina has granted Nicaragua a \$15 million loan. The Foreign Ministry has reported that the loan agreement was signed in Buenos Aires between Nicaraguan and Argentine officials. [Text] [Managua BARRICADA in Spanish 29 Jan 83 p 10 PA]

PERUVIAN AMBASSADOR'S DEPARTURE--Augusto Dammert's tour of duty as Peruvian ambassador to Nicaragua has ended. He will leave for Lima on 1 February. Dammert said his replacement will be appointed in March. [Text] [PA091840 Managua LA PRENSA in Spanish 30 Jan 83 p 12]

PEACE COMMITTEE PRESIDENT--Guerilla Commander Olga Aviles has been appointed executive president of the Nicaraguan Peace Committee, CONIPAZ. The announcement was made this morning by the CONIPAZ General Assembly, which is headed by Commander Doris Tijerino. [Text] [PA091840 Managua Radio Sandino in Spanish 1830 GMT 8 Feb 83]

EXPORTS IN 1982--Exports through the Foreign Trade Ministry and affiliated agencies produced 3,183,384,164 cordobas in 1982. This resulted from sales of traditional export products like cotton, sesame seed, coffee, meat and sugar. Sales of nontraditional products like tobacco, cigars, peanuts and ginger, among others, brought in \$9,169,737. [Text] [PA091840 Managua Radio Sandino in Spanish 1830 GMT 8 Feb 83]

NEW AMBASSADORS--Oscar Cortes Cordero has been named Nicaraguan ambassador to Ecuador. Julio Icaza Gallard has been appointed alternate Nicaraguan representative to the United Nations. [Text] [PA091847 Managua EL NUEVO DIARIO in Spanish 3 Feb 83 p 10]

DEPUTY FOREIGN MINISTER--The Foreign Ministry has announced that Victor Hugo Tinoco, Nicaraguan representative to the UN Security Council, will keep his rank as deputy foreign minister. He will reside in New York. His vacancy at the Foreign Ministry has been filled by Nora Astorga, who was previously deputy foreign minister for administration, a post that has been eliminated. She will hold the post of deputy foreign minister for foreign policy. [Text] [PA091847 Managua EL NUEVO DIARIO in Spanish 26 Jan 83 p 13]

NEW EUROPEAN AMBASSADORS--This morning three ambassadors from European countries presented credentials accrediting them as ambassadors to Nicaragua. The European diplomats are: Jan Willem Bertens, from the Netherlands; Branko Vukusic, from Yugoslavia and (Peter Way Sumerkal) from the United Kingdom. [Text] [PA100147 Managua Radio Sandino in Spanish 1830 GMT 9 Feb 83]

ORTEGA RECEIVES FRENCH ENVOY--Antoine Blanca, France's roving ambassador for Latin America, met tonight with Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction [JGRN]. During the meeting, Companero Blanca said that the JCRN coordinator's visit to France last July was recorded as an historic moment in the two countries' relations. Daniel Ortega's meeting with President Mitterrand's envoy was attended by Companero Rene Ala, French ambassador to Nicaragua; Rodrigo Reyes, JGRN minister secretary; Julio Lopez, official in charge of the FSLN Department of International Relations; Nora Astora, deputy foreign minister and (Giovanni Delgado), Nicaraguan ambassador to Belgium. [Text] [PA171927 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 16 Feb 83]

AUSTRIAN, ITALIAN DONATIONS--Domestic Trade Minister Dionisio Marengo Gutierrez has received a donation of 9,000 metric tons of wheat from Austria worth \$2 million, which Austria purchased from the World Food Program, since it is not a wheat producer. In addition, Marengo received a donation of 4,000 metric tons of rice from Italy worth \$1.8 million, in line with an agreement signed in June 1982. Both the rice and the wheat will be distributed by the Nicaraguan basic foods enterprise. The donations were received at the port of Corinto on 8 February. [Text] [PA131742 Managua BARRICADA in Spanish 9 Feb 83 p 12]

NEW MPS TRAINING SCHOOL--Militia 1st Lt Oscar Mojica has announced that the first period of instruction this year for the Sandinist People's Militia [MPS] began on 26 February at schools like the New Miguel Angel Orteza Military Instruction School in Managua. The director of the new school is 2d Lt Luis Gutierrez. [Text] [PA131742 Managua EL NUEVO DIARIO in Spanish 8 Feb 83 pp 1, 8]

CSO: 3248/524

## AUSTRALIA'S FRASER HAILS COMMONWEALTH CONFERENCE

FL182010 Bridgetown CANA in English 1932 GMT 18 Feb 83

[Text] Castries, St Lucia, 18 Feb (CANA)--Australian Prime Minister Malcolm Fraser today cabled his St Lucian counterpart John Compton congratulating him on organising next week's two-day informal conference of Canadian and Commonwealth Caribbean government leaders and offering his best wishes for a successful outcome of the discussions.

The message was delivered to Prime Minister Compton through the Jamaica-based Australian High Commission for the Caribbean.

Mr Fraser said the holding of the conference emphasised both the importance and the usefulness of the Commonwealth as a channel for the communication of ideas and discussions of common problems among member countries.

Following is the text of the Australian prime minister's cable:

"On behalf of my government and the people of Australia, may I extend to you greetings and best wishes for the meeting of Commonwealth heads from Canada and the Caribbean.

"Holding of this meeting emphasises the importance and usefulness of the Commonwealth as a channel for the communication and discussion of common problems. I wish you all well in your discussion."

In reply, Prime Minister Compton expressed appreciation of Mr Fraser's good wishes for a successful conference.

Mr Compton also took the opportunity to extend his condolences to the government and people of Australia on the deaths caused by the tragic brush fires in south Australia.

The full text of the St Lucia prime minister's cable reads: "I wish to express my appreciation of your wishes for the success of the conference of heads of government of the Caribbean and Canada.

"I also extend deepest condolences on behalf of the people of St Lucia on the tragic loss of life and property as a result of the fires in south Australia."

CSO: 3298/1213

CARIBBEAN WANTS IMPROVEMENT IN TRADE WITH CANADA

FL211325 Bridgetown CANA in English 1611 GMT 20 Feb 83

[By Ernie Seon]

[Excerpt] Castries, St Lucia, 20 Feb (CANA)—The Caribbean would like to see an improvement in trade relations with Canada, St Lucia's Prime Minister John Compton said last night.

Mr Compton, speaking shortly before Canadian Prime Minister Pierre Trudeau flew in for two days of informal talks with Caribbean leaders, however told reporters the region had not made use of the several mechanisms in place in Ottawa for improving trade with the region.

"We have a one-way free trade with Canada in which 90 percent of our goods can enter (Canada) without any tariff barriers, and we have not made use of the mechanisms available," said Mr Compton, who will chair the meeting, opening this afternoon at the Lo Toc Hotel.

Asked whether he was satisfied with the level of aid and technical assistance from Canada to the Caribbean, Mr Compton said that the region could not expect much more from a country with limited resources.

"We cannot expect Canada to give much more of its resources in aid. We are grateful for what Canada has done for us in spite of its size and population. It really has done its best," Mr Compton said. [passage omitted]

CSO: 3298/1213

## BRIEFS

CATO HOME AFTER SURGERY--Kingstown, St Vincent, 10 Feb (CANA)--St Vincent and the Grenadines Prime Minister Milton Cato returned home last night after undergoing a surgical operation in Barbados last week. A Government Information Service (GIS) released announced Mr Cato's return from " ten-day leave of absence," but made no mention of the operation. Medical sources in Barbados said last weekend that Mr Cato had left the Queen Elizabeth Hospital there after surgery, but gave no details of the operation. It is not yet known when Mr Cato will resume duties. [Text] [FL101515 Bridgetown CANA in English 1418 GMT 10 Feb 83]

EEC ASSISTANCE--Bridgetown, Barbados, 3 Feb (CANA)--St Vincent and the Grenadines is to benefit from a 1.1 million dollar (1 EC dollar - 37 cents U.S.) assistance package to the islands' livestock industry, the European Economic Community (EEC) mission here announced today. Mr Joannes Ter Haar, delegate of the commission of the European Communities in Barbados, said the project will be financed by an EEC grant. [Excerpt] [FL040100 Bridgetown CANA in English 2009 GMT 3 Feb 83]

CSO: 3298/1215

## NAARENDORP ON INTERNAL EVENTS, FOREIGN REACTION

Rotterdam NRC HANDELSBLAD in Dutch 5 Feb 83 p 7

[Interview with Foreign Minister Harvey Naarendorp by Sytze van der Zee]

[Text] Washington, 5 Feb--"A new defamatory campaign" is what Harvey Naarendorp, the Suriname minister of foreign affairs, calls the commotion over the death of Maj Roy Horb, the former second man in his country's hierarchy. Officially it is said that Horb committed suicide, but the régime in Paramaribo has had some experience in inventing causes of death. Late last year the murder of 15 prominent Surinamers was sold as "shot to death while attempting escape."

Naarendorp says: "I will not concern myself with interpretations. I can only say that a judicial inquiry was under way and that in the course of that the man committed suicide. We asked the International Red Cross to investigate, too, because we did not want what had happened to be interpreted in a specific way."

The Suriname minister is less sure of his case in judging the murder of the fifteen. He admits: "I was bowled over by it myself." But at the same time he will not go so far as to condemn the blood bath. "I do not mean to justify what happened. And neither am I opposed to an investigation or even to a condemnation, but we must not view what happened then in isolation. The violence was not really a bolt out of the blue.

"Nobody gets up in the morning with the intention of going out and killing 15 people. The spiral of violence was set in motion by the attempted coup in March of last year. It was a struggle between a holding force and an advancing force, in which the other party did not refrain from violence, either. Planning killings is not the sole prerogative of military rulers.

"At the time I myself got several letters to the effect of: 'Naarendorp, see to it that you are out of the country before 31 December if you want to stay alive.' Indeed, I believe that what happened is open to investigation. But it is also important for us to get rid of all emotions and concentrate on the political reality. What must we do, then? Close up shop? It would be somewhat as if you should investigate what happened in the Netherlands after World War II and then say: We are closing up shop! For a great deal went on then, too."

The interview with the outgoing minister takes place in the Suriname embassy that is located in the Washington Watergate complex on the Potomac River. From time to time Naarendorp's bodyguard sticks his head around the corner of the door to see whether everything is still in order. The minister gives a very tense impression. He lights one cigarette after another, takes three or four draws, and crushes the stub in the ashtray.

[Question] How can you justify to yourself what has taken place?

Naarendorp: You must make a distinction between the renewal process in Suriname and what happened in December. The latter understandably set off all sorts of emotional reactions. Just the same, I believe with others that we are living in a country that still has to be decolonialized to eventually become one nation. What we have been going through is the labor pains that make a new Suriname possible.

Many consider as I do that we must continue the process of renovation. Personally I will continue to fight on as long as there is no balance between the fundamental needs of the majority on the one hand and a small group at the top that is tied to foreign interests on the other. We must create the conditions for a unification, so that those foreign interests can no longer manage the country through a powerful press and by cutting off the money tap.

[Question] This week you have been in New York and Washington. Does your visit perhaps have something to do with "Commander" Desi Bouterse's aggressive attempt to portray the Netherlands as neocolonial since it cut off development aid to your country?

Naarendorp: I have not put the emphasis on that, although we are indeed inclined to that opinion. The purpose of the visit was to inform the South American and Caribbean representatives to the United Nations and the secretary general of the Organization of American States at the worldwide level concerning our problems and prospects. We found that necessary because we have not got the press channels at our disposal that the Netherlands has. In our opinion the reporting is very one-sided and quite often beside the truth.

[Question] It does seem that there is a sort of competition under way between the Netherlands and Suriname to get each other condemned in all sorts of organizations, Suriname because of the killings, the Netherlands for treaty violation.

Naarendorp: I believe this is an unequal contest. After all, the Netherlands has over a hundred diplomatic establishments all over the world, Suriname only 18, including consulates. And when I think of the many Dutch press channels, then it is clear that it is a fight between David and Goliath. We cannot do much, after all, imposing sanctions or whatever.

We do find it important to tell the world that the Dutch reaction to what happened, namely the abrupt denouncing of the treaty, has little to do with policy and everything to do with emotions. But it is a strange thing that the Netherlands is supporting opposition groups on a large scale that even want to bring in mercenaries.

[Question] The Dutch argument is that the Netherlands does not care to finance a model in which people are shot to death in the middle of the night.

Naarendorp: That makes me a little sick. I see the aid simply as a repayment after you have concerned yourself only with India for decades. With all due respect, the whole manner in which the aid is given, and the far-reaching control over developments in Suriname--all that has been done in such a didactic tone. We need people that are capable of offering solutions, for what we want is a normalization of the situation.

[Question] Aren't you underestimating the shock that the massacre late last year caused in the Netherlands?

Naarendorp: I know few people concerned in the renovation process that are not critical toward the events of 8-9 December. But now we must look at what happens next and how we can keep the economy running. And while that is going on I cannot take any account of all sorts of sensitivities in the Netherlands. What counts is how the people in Suriname feel. I know Suriname, I live there, and I am in a vulnerable position myself. That applies to everybody that has stuck his neck out in the renovation process.

[Question] But isn't it a legitimate business to swap a dictatorship for a parliamentary democracy, as the fifteen are known to have wanted to do?

Naarendorp: But how were they trying to do that? In the court action against Rambocus it was brought out that murders were planned on that side, too. Yes, return to democracy--but who says that it will be better?

[Question] How are the attempts to get hold of money elsewhere coming out?

Naarendorp: The Colombian government is willing to give us a credit of \$10 million. But in the first place Suriname will have to help itself by looking at all the possibilities the country offers. We should have to exploit those possibilities even if relations with the Netherlands were completely restored.

[Question] And help from Cuba?

Naarendorp: There you go again! During the past 2 years Cuba has been constantly brought up, and over and over again I have rejected that as propaganda. We get no special help from Cuba. Our cooperation is chiefly commercial in character. That propaganda is an outgrowth of the attempt to isolate Suriname which I am resisting.

[Question] In the last few weeks the Naarendorp nephews have been repeatedly focused upon as the evil geniuses behind Bouterse. It has been written of you that you are a Marxist, a Grenada-oriented, totalitarian-thinking politician and are simply opposed to parliamentary democracy.

Naarendorp (normally speaking almost in a whisper, but now raising his voice a little): I find that focusing on Naarendorp typical of the pusillanimity of the opposition. They know that he has no party, no weapons, and so they use him as a target. It is so convenient. I cannot do anything to anybody, as I have no power.

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CSO: 3214/14

## MANUFACTURERS CONCERNED OVER JAMAICAN PROVOCATION

FL102009 Bridgetown CANA in English 1954 GMT 10 Feb 83

[Text] Port-of-Spain, Trinidad, 10 Feb (CANA)--The Trinidad and Tobago Manufacturers' Association (TTMA) has expressed its concern over what it termed the repeated provocations by Jamaica on the issue of trade, according to press reports here.

The GUARDIAN newspaper quoted the association's general manager, Clive Teelucksingh, as saying that Jamaica's new two-tiered system of foreign exchange rates will lead to unfair competition for local manufacturers.

Under the new Jamaican systems there is an official exchange rate of 1.78 Jamaican dollars to one U.S. dollar, which applies principally to imports on the basic food list and to raw materials for processing by manufacturers for export.

In addition there is a parallel market rate, determined by the commercial banks, which would reflect the rate currently in use in non-bank transactions and is expected to range from three to 3.50 Jamaican dollars to one U.S. dollar. A foreign exchange quota system would apply to all imports of both CARICOM and extra-CARICOM origin.

According to Mr Teelucksingh, this system means that local exports will now be entering the Jamaican market at a higher level of prices and in competition with products from outside the Caribbean Community (CARICOM).

Jamaica, however, retains its competitive position in the Trinidad market and enjoys protection from CARICOM imports afforded by the negative list," Mr Teelucksingh said.

He added that the system also does not take into account the principles of the CARICOM Treaty which provide for the treatment of the regional market as an extension of the local market, and for preferential treatment of goods produced within CARICOM over non-CARICOM products.

Mr Teelucksingh said the situation was further aggravated by the influx of imports, both legal and illegal, from Third World countries.

"If local manufacturers are faced with unfair competition within CARICOM and unlimited access to its home base from extra-CARICOM imports, the production levels will fall and prices of locally manufactured goods will rise even further, thus fuelling inflation," he said.

He added that the Jamaican action amounted to a threat to the recently announced Trinidad export policy, since local manufacturers are unable to achieve the lowering of unit costs of production through expansion of sales within CARICOM.

CSO: 3298/1214

MANNING COMMENTS ON OIL PRODUCTION FOR 1983

FL151714 Bridgetown CANA in English 1627 GMT 15 Feb 83

[Text] Port-of-Spain, Trinidad, 15 Feb (CANA)--The state-owned Trinidad and Tobago Oil Company--(TRINTOC) last year increased its crude oil production by 1.6 percent over its 1981 figure of 7,569 barrels a day, Energy Minister Patrick Manning said.

The minister said the 1982 figure was 7,688 barrels per day and it was anticipated that the production figure for 1983 would be about 8,000 barrels a day.

TRINTOC's Managing Director Walton James said the cost of the company's 1983 programme would be 81.1 million dollars (1 TT dollar ; 41 cents U.S.) of which 25.5 million dollars would be spent on exploration and 55.6 million dollars on development.

Manning commended the state-owned oil company on its efforts to increase production. Petroleum is Trinidad and Tobago's chief export.

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**MARCH 16, 1983**